

The

THE CREDIT WORLD

the only publication serving the entire field of consumer credit

VOLUME 50

DECEMBER 1961

NUMBER 3

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A Department of Consumers in the White House

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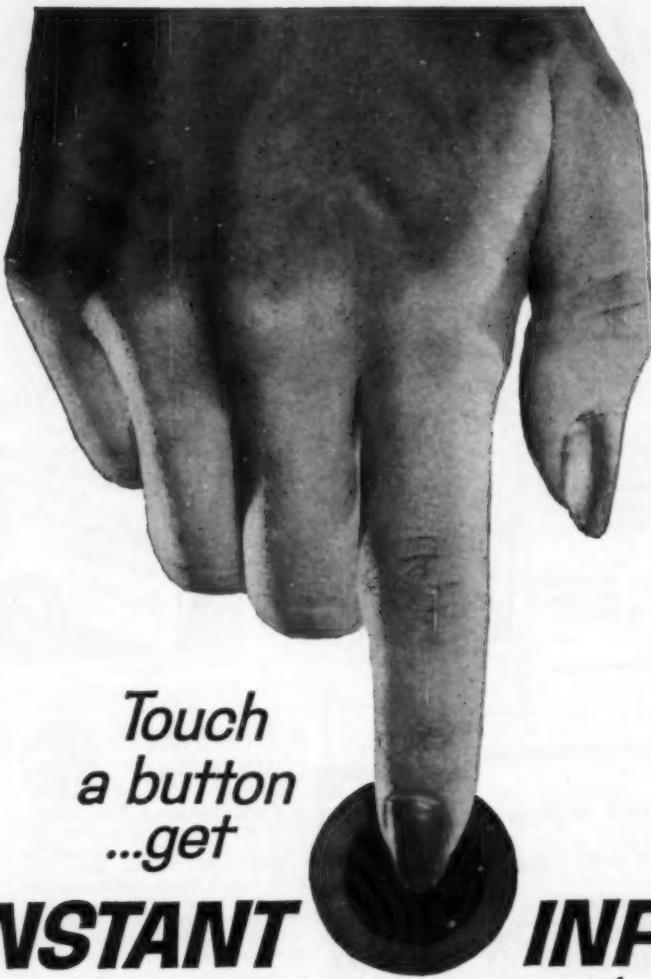
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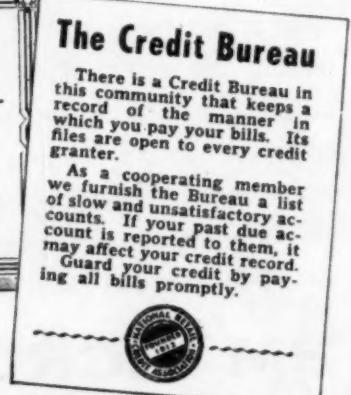
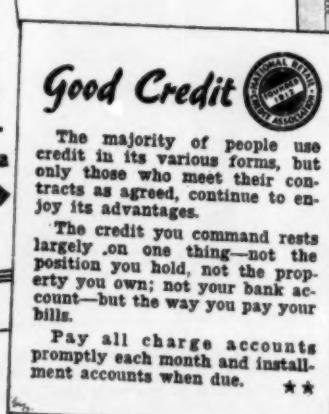
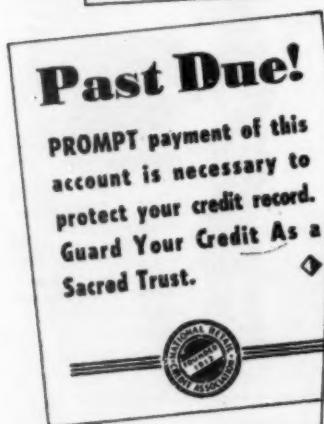
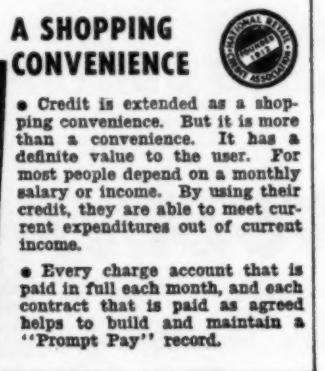
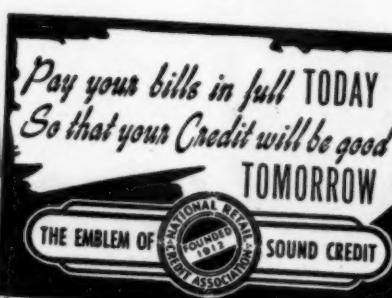
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Circulation of this issue... 54,000

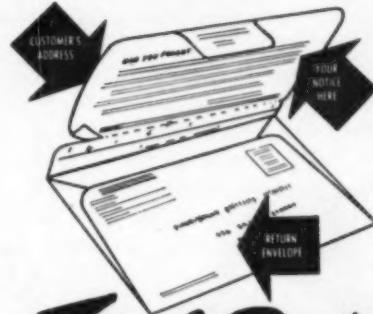
The CREDIT WORLD is published monthly by the National Retail Credit Association for the benefit of its members. Non-member subscription price is \$5.00 a year. Publication office, The Von Hoffmann Press, 105 South 9th Street, St. Louis 2, Missouri. Correspondence relating to Editorial, Circulation, or Advertising should be addressed to the executive offices, National Retail Credit Association, 375 Jackson Avenue, St. Louis 30, Missouri, PArkview 7-4045.

Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given.

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Christmas Greetings

ONCE AGAIN, the Christmas season returns with its old greeting of "peace on earth and good will to men." No greeting could be more significant, but the vision which it so happily portrays is an end yet to be realized. David Hume, a tough minded English philosopher, once called man, "a fighting animal" and assuredly, not peace and helpfulness but war and strife have largely characterized human history.



He, whose coming this season commemorates, discarded the old fiction that "As things have been so they remain," and tried to break the vicious circle. Jesus did not minimize humanity's problems but he challenged men heroically to face them and seek their solution. Thus, he was the prophet of a new day and assured men that in seeking this new day, they would have divine support.

In its program of mutual assistance, the National Retail Credit Association finds its opportunity and renders its services. The individual member is not alone but unites with others in promoting the common good. In this relationship of happy mutuality for each member of the NRCA we wish a Merry Christmas.



PRESIDENT, National Retail Credit Association



EMERGENCY CONTROLS:

What To Expect

(From Nation's Business)

EDWARD F. PHELPS, JR.

Director of Government Planning
for Economic Stabilization
Washington, D. C.

AS WORLD TENSIONS rise, businessmen want to know if, when, and how the federal government will impose wage, price and other direct economic controls.

To get some answers, the editors of NATION'S BUSINESS asked the man who knows most about what the government is doing and planning. He is Edward F. Phelps, Jr., deputy director for economic stabilization in the new Office of Emergency Planning (until recently a part of the Office of Civil and Defense Mobilization).

Mr. Phelps, a former food industry executive, has been in charge of emergency economic stabilization planning for almost seven years. In previous government service he was director of food price control for the Office of Price Administration during World War II and assistant director of the Office of Price Stabilization during the Korean emergency. Between government assignments, Mr. Phelps was associated with a wholesale grocers association and was an executive of a Texas food manufacturing and wholesaling concern. He is from West Hartford, Conn., where his family was well known in wholesale food distribution.

In this exclusive interview Mr. Phelps tells you the kinds and timing of controls being planned for different kinds of emergencies, what authority the President has and what he may ask from Congress, and what you, as well as local communities and states, should be doing to prepare for what may come.

Mr. Phelps, have the Berlin and other international crises brought us closer to economic controls?

I don't know that they have brought us closer, but interest in emergency economic controls has reached a new high. Business people, business organizations, the press, and many others are wondering how well the government is prepared to deal with the economic consequences which these crises might cause.

How well is the government prepared?

The government has published plans for dealing with the possible economic consequences of a limited war mobilization. In general the United States would use the same emergency economic measures it used during World War II and the Korean war.

The government has also developed rather detailed plans for dealing with the economic consequences of nuclear attack. Here the problem is new and unprecedented.

What about international tensions short of war?

These periodic trips to the brink may represent a new kind of emergency economic problem for us.

There is the risk that, at some point during a period of increasing international tension, the economic consequences could be similar to those which have resulted from military action in the past.

After a period of accelerated military build-up there is at least the possibility that the country could face psychological inflation.

What do you mean by psychological inflation?

It's inflation set in motion when people, organizations and markets suddenly decide that it is wise to accumulate inventories, to beat the government to the punch, to jockey for position, perhaps to speculate, or to do the things which an uncertain environment may seem to support.

It may be that individual human motivations and responses cannot control this kind of national reaction, but it is at least theoretically within our power. The alternative puts the government in the position of having to do something in the national interest whether it wants to or not. The government of the United States regards direct controls as a last alternative and one to be avoided if there is any choice.

On the other hand, no President or responsible government could risk inaction if spontaneous forces produce a result not in the national interest, whether it is based on psychology or economic fact.

Are we in danger of reaching that point?

One would have to foresee the outcome of the Berlin situation to be precise. I will say only that, if the Berlin situation worsens materially and if people, organizations, and markets suddenly decide that these events mean serious trouble, psychological inflation would be possible.

Up to this point the economy has absorbed the impact of the Berlin situation with substantial stability. **Have we ever had inflation controls in peacetime?**

Not in the sense that you ask the question. The Federal Reserve system has rather broad authority to act

on the monetary and credit side, which could be a form of anti-inflation action. These indirect controls would be used in time of emergency but would be supplemented by other indirect and direct controls.

What do direct controls include?

Price, wage, salary and rent controls. Consumer rationing is ordinarily included, too.

And indirect controls?

In that category are emergency tax measures, monetary and credit measures, and savings programs.

Are we prepared today to invoke stabilization controls?

The President does not now have authority to impose direct controls on prices, wages, salaries, or rents. He does have authority to ration consumer goods; but this is not really an issue. Likewise the President cannot increase or adjust the tax structure or tax rates on his own motion.

Finally, the President has no authority to impose controls on consumer credit or real estate credit.

All these would require action by Congress.

How much preplanning has been done?

The government has a reservoir of know-how, of people, of agreed-upon policies and objectives. Many arrangements have been made for an emergency stabilization operation to be created and organized if the situation required it. In my judgment, if controls were required, the President would unquestionably be able to obtain necessary authority from Congress with a minimum of delay.

What are these agreed-upon policies?

Existing national policy is that the whole arsenal of indirect and direct emergency economic measures would be required in case of limited war.

Response to the probable economic consequences would be undertaken early in the mobilization rather than after long debate and discussion. This is a lesson learned from the Korean experience, when the government was late in dealing with a sharp psychological inflation.

Beyond this, our emergency response would be much like that set in motion during World War II and the Korean war.

No changes are contemplated, then, from our previous emergency economic controls?

With respect to limited war, no basic changes are probable. Actually, relatively few emergency instruments are available other than those which were used during these two modern-day wars.

As to a period of international tension, however, I am not suggesting that the government will ever have to impose direct controls or related emergency economic measures. I am merely indicating that long-continued cold war and periodic increases in international tension could conceivably produce economic consequences like those in limited war.

The country and the government may face a new kind of economic problem which may make it no longer possible to cling to the classic American posi-

tion that we would never use emergency mobilization measures except during actual military conflict.

Do we need stand-by authority for controls?

Ideally, the President should have authority to respond to the many kinds of emergencies in the present world environment. Because economic controls have always caused a good deal of controversy, we have never been willing in peacetime to give the President authority to impose measures customarily reserved for war.

It would be a great deal clearer to all concerned if appropriate and perhaps limited enabling authority were available at all times.

What controls do you plan in event of all-out attack?

This involves a wholly unprecedented problem. Nevertheless in the past three years the great bulk of the government's preparedness effort has been directed toward the economic consequences of nuclear attack.

The basic problems would be two-fold:

On the one hand our surviving national monetary and economic system in undamaged areas would be threatened with almost automatic bankruptcy or insolvency.

On the other we would face the probability of sharp inflationary pressures and extreme shortages in those areas. But we would not have a federal government able to administer, direct and regulate in the economic field as would be the case in a more orthodox mobilization.

What are some of the answers?

We have had to devise more or less self-executing policies and objectives aimed at keeping our banking and monetary system solvent and functioning in undamaged areas. We have also started conditioning and training local and state authorities to handle post-attack price and rent control and emergency rationing.

How about wage controls?

Under our plans, the Department of Labor, through its scattered Wage and Hour Offices, would handle interim wage and salary controls in undamaged areas.

Would federal legislation be needed?

Some steps might require legislation.

For instance, one of the basic national policies involves loss-sharing or indemnification designed to support the solvency and functioning of a postattack economy in undamaged areas.

Financing this may require new legislation.

Federal legislation should also support the emergency steps taken by local and state authorities to control prices and rents and ration consumer goods. This means that the President will have to be given authority in advance or he would have to proceed temporarily on the basis of his inherent emergency powers if Congress could not be convened quickly.

What progress have the state and local governments made?

About a year ago we began to help states and communities to get ready.

First we put our own regional offices in a position to help the states.

We then informed the governors what their economic responsibilities might be in the event of attack.

After the government's basic policies and objectives were widely distributed, we began a series of regional conferences to create awareness and take the first steps to develop the state and local readiness likely to be required.

How many of these conferences have been held?

Four—in New York City, San Francisco, Chicago and Los Angeles. About 1,600 individuals from the banking and financial community, the professions, labor and agriculture, and state and local governments attended.

These conferences are being followed up through appointment of stabilization advisory boards in each region and stabilization officers in each state.

It will be a long and difficult job but reasonably good progress is under way and events in the past few weeks have produced a considerable upsurge of interest.

What must the states do in case of a nuclear attack?

States and communities must learn to substitute temporarily for the federal government in undamaged areas. They must be capable of administering price and rent controls and emergency rationing until the federal government can gradually absorb these interim actions in a more cohesive national stabilization operation.

What about maintaining the currency?

Most of the preparedness work in the monetary and banking system is being carried on by the Federal Reserve, the Federal Home Loan Bank system, and other financial agencies.

This work has been carried on to a much greater extent than is known or realized.

One step has been the stockpiling of currency in strategic locations.

Who will be in charge of the money?

The Federal Reserve system is prepared to operate from any one of its districts, and each district has arranged a relocation site and lines of succession.

Beyond this, the Federal Reserve has designated agent banks in each Federal Reserve District, both to clear checks, whether on destroyed or surviving banks, and to distribute currency if it should be needed.

Finally, the basic banking regulations and orders aimed substantially toward a kind of self-executing response by surviving banks and financial institutions have been worked out and are being put in position throughout the country.

Aside from banks, what part is business playing in this planning?

We have tried to arrange for the participation of business and professional people as well as individuals from other segments of the economy. In general,

we have tended to do this through individuals rather than through organizations.

To some extent we have relied upon a relatively small group of executive reservists and consultants, but we have also asked for advice from a great many individuals in business and elsewhere who know particular fields.

Most of our policies and objectives are outlined in broad terms in Annex 27 to the National Plan for Civil Defense Mobilization. Before this Annex was published, as an example, we circulated it among more than 100 individuals, including many business people, to get their responses or suggestions.

How may Annex 27 be obtained?

By writing to us—Office of Emergency Planning, Washington 25, D. C.

Is any thought being given to tying wage and price controls together?

Price and wage controls would be undertaken simultaneously if an emergency situation required either kind of control. But each should be treated separately and on its own merits, using standards of equity worked out specifically for that purpose.

Prices and wages should not be controlled or adjusted in terms which make one contingent on the other.

What is the effect of raising wages and prices in anticipation of controls?

In the national interest, businessmen should not raise either prices or wages artificially in advance of the possible imposition of economic controls.

We may be able nationally to prevent the need to impose direct controls.

Except in the case of nuclear attack, the country's economic problem is essentially how to deal with a psychological inflation, not with an inflation generated by the kind of economic transition or shortages which characterized World War II.

Are there any plans to control profits?

Controlling prices may produce what amounts to a form of profit control, particularly in some industries, or in connection with some commodities or services.

This is not and should not be the objective of price control, however.

Profit control in wartime should be treated, if at all, through special taxation. An effective and workable emergency price control operation should envisage necessary and reasonable profits.

Does your agency get into manpower controls?

No, although we have developed plans for dealing with manpower in different stages of mobilization.

Do you get into inventory controls?

Only at the retail level in connection with consumer rationing.

Should individual businesses be making preparedness plans?

It seems to me that the present world situation re-
(Turn to "Emergency Controls," page 22.)

Are We Headed for a Department of Consumers in the White House?

THE WHITE HOUSE is reported ready to make public a progress report on the fulfillment of its long-neglected campaign promise, namely, to set up an Office of Consumers Counsel in the highest government echelons. (See "Special Voice For Consumers," The CREDIT WORLD, October 1961, page 10.) President Kennedy's commitment in a pre-election speech to have a full-time staff aide concerned with consumer protection has yet to be carried out.

Under prodding from Capitol Hill, the President's Council of Economic Affairs is preparing a statement on how the Administration will make good on its promise.

Although on the surface this appears to be harmless, it is well to note that Senator Estes Kefauver, along with 21 other Senators, introduced Senate Bill 1688, the "Consumers Act of 1961," in which it proposes "to establish a Department of Consumers." To date this bill has received little attention. However, Mr. Kefauver introduced a similar bill in the previous Congress and held hearings on June 23-24, 1960.

In order to acquaint The CREDIT WORLD readers with the bill, it is printed here in its entirety. You will be kept informed as to its progress should hearings be scheduled. The bill is written to conform to the campaign promise drafted in The Democratic Platform, pages 47-48.

Senate Bill 1688 is a proposal:

To establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such Department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumers Act of 1961".

Sec. 2. (a) There is hereby established, as an executive department of the Government, the Department of Consumers (referred to hereinafter as the "Department").

(b) Section 158, Revised Statutes (5 U. S. C. 1), is amended by adding at the end thereof the following new item:

"Eleventh. The Department of Consumers."

(c) Section 1 (d) (1) of the Act of June 25, 1948 (3 U.S.C. 19 (d) (1)), relating to Presidential succession, is amended by inserting therein, immediately after the words "Secretary of Labor", a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Consumers."

(d) Except to the extent inconsistent with the provisions of this Act, the provisions of title IV of the Revised Statutes as now or hereafter amended shall be applicable to the Department of Consumers.

Officers of the Department

Sec. 3. (a) The Department shall be headed by a Secretary of Consumers (referred to hereinafter as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for the heads of executive departments.

(b) There shall be in the Department an Under Secretary of Consumers (referred to hereinafter as the "Under Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for officers named in section 104 (a) of the Federal Executive Pay Act of 1956. The Under Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary.

(c) There shall be in the Department an Assistant Secretary of Consumers (referred to hereinafter as the "Assistant Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for officers named in section 106(a) of the Federal Executive Pay Act of 1956. The Assistant Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability, or in the event of vacancies in the offices, of the Secretary and the Under Secretary, the Assistant Secretary shall act as Secretary.

(d) There shall be in the Department a General Counsel (referred to hereinafter as the "General Counsel") who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed by law for officers of the classes named in section 106(b) (9) of the Federal Executive Pay Act of 1956. The General Counsel shall be the chief legal officer of the Department, and shall perform such duties as the Secretary may direct. During the ab-

sence or disability, or in the event of vacancies in the offices, of the Secretary, the Under Secretary, and the Assistant Secretary, the General Counsel shall act as Secretary.

(e) No officer of the Department may engage in any other business, vocation, or employment while serving as such. No individual may be appointed or serve as an officer of the Department—

(1) while he holds legal title to, or beneficial equitable interest in, share capital (A) exceeding in market value \$ in any corporation engaged in the production, distribution, or sale of goods or services affecting consumers, or (B) exceeding in market value \$ in more than one such corporation; or

(2) if within years he has served as an officer or director of any such corporation.

Powers and Duties of the Secretary

Sec. 4. (a) The Secretary shall be responsible for the exercise of all powers and the discharge of all duties of the Department, and shall have authority to direct and supervise all personnel and activities thereof.

(b) The Secretary is authorized, subject to the civil service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such personnel as may be required for the performance of the functions of the Department.

(c) The Secretary may promulgate such rules and regulations as may be necessary to carry out the functions vested in him or in the Department, and he may delegate authority for the performance of any such function to any officer or employee under his direction and supervision.

(d) The Secretary shall cause a seal of office to be made for the Department, of such design as the President shall approve, and judicial notice shall be taken thereof.

(e) The Secretary shall transmit to the Congress in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Department during the preceding calendar year, and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the economic interests of consumers within the United States.

Functions of the Department

Sec. 5. (a) It is the duty of the Department, in the performance of its functions, to protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Department include the following:

(1) To present the viewpoint of consumers of goods and services within the United States in the formulation of policies of the Government;

(2) To represent the economic interests of consumers of the United States in proceedings before courts and regulatory agencies of the United States to the extent to which authorization therefor is provided by section 6 of this Act;

(3) To conduct annually a National Consumers' Conference, to be attended by experts on consumer education and by representatives of organizations engaged in fostering and protecting the interest of consumers of goods and services within the United States, for the purpose of obtaining information, recommendations, and suggestions necessary or desirable for the effective performance of other functions of the Department;

(4) To receive, assemble, evaluate, act upon, and disseminate information helpful to consumers of the

United States in performing their economic function more efficiently, including information concerning commercial and trade practices adversely affecting their economic interests, as provided by section 7 of this Act;

(5) To discharge in the public interest the powers and duties transferred to the Department by section 8 of this Act; and

(6) To perform such other functions as may be prescribed by law.

Representation of Consumers

Sec. 6. (a) Whenever there is pending before any regulatory agency of the United States (as defined by section 12 of this Act) any matter or proceeding which does not involve the adjudication of the alleged violation, by any individual or corporation named as a defendant or respondent therein, of any statute of the United States or any rule or regulation promulgated thereunder, and the Secretary finds that the determination of such matter or proceeding may affect substantially the economic interests of consumers within the United States, the Department shall be entitled as a matter of right to intervene in such matter or proceeding as a party to represent the public interest of consumers by filing with such agency a duly certified copy of the finding so made by the Secretary. Upon any such intervention, the Department, through the General Counsel or any other officer or employee of the Department designated by the Secretary for that purpose, shall present to such regulatory agency, in conformity with the rules of practice and procedure thereof, such evidence, briefs, and argument as it shall determine to be necessary for the effective protection of the economic interests of such consumers.

(b) Whenever—

(1) there is pending before any regulatory agency of the United States any matter or proceeding relating to the trade or commerce of the United States which does not involve the adjudication of the alleged violation, by any individual or corporation named as a defendant or respondent therein, of any statute of the United States, or any rule or regulation promulgated thereunder, or

(2) there is pending before any district court of the United States any matter or proceeding involving the trade or commerce of the United States to which the United States or any regulatory agency of the United States is a party,

the Department upon its own motion may, and upon written request made by the officer or employee of the United States or such regulatory agency who is charged with the duty of presenting the case for the Government in that matter or proceeding shall, certify to such officer or employee all evidence and information in the possession of the Department relevant to that matter or proceeding.

(c) Whenever there is pending before any appellate court of the United States any matter or proceeding involving the review of—

(1) an order or determination made by any regulatory agency of the United States relating to the trade or commerce of the United States, or

(2) any judgment, decree, or order entered by a district court of the United States in any civil action involving the trade or commerce of the United States, and the Secretary finds that the action taken by the appellate court upon such review may affect substantially the economic interests of consumers within the United States, the Department, subject to the rules of practice and procedure of such appellate court, may make application to that court for leave to file in such matter or proceeding a brief as *amicus curiae*, or to present to the court oral argu-

ment therein, or both, except that no such application may be filed by the Department without the consent of the Attorney General in any matter or proceeding (A) to which the United States or any regulatory agency of the United States is a party, or (B) in which the Attorney General has been granted leave to intervene on behalf of the United States or any regulatory agency of the United States. Upon the filing by the Department of such application, supported by a duly certified copy of the finding so made by the Secretary and such other showing as the court may require to demonstrate that the action taken upon such review may substantially affect the economic interests of consumers within the United States, the appellate court in its discretion may grant such application.

(d) The General Counsel, or any other attorney of the Department specially designated by the Secretary for that purpose, shall be entitled to enter an appearance on behalf of the Department before any court (except the United States Supreme Court) or regulatory agency of the United States, without other compliance with any requirement for admission to practice before such court or agency, for the purpose of making any application or taking any action which is authorized by subsection (a), (b), or (c) of this section.

Consumer Complaints and Information

Sec. 7. (a) It shall be the duty of the Department to receive from consumers of the United States, and to evaluate, complaints concerning commercial and trade practices employed in the production, distribution, and furnishing of goods and services to or for the use of such consumers which may be detrimental to their economic interests.

(b) Upon receipt of any complaint disclosing the use of any commercial or trade practice detrimental to the economic interests of consumers within the United States by any producer, distributor, or supplier of goods or services, the Department may transmit to such producer, distributor, or supplier written notice as to the nature of the practice concerning which complaint has been made, and shall take such other action within the authority of the Department as may be appropriate to secure for the complainant relief from such practice. If effective action to secure such relief for the complainant cannot be taken by the Department under authority conferred upon it, such complaint shall be transmitted by the Department to the department or agency of the United States whose regulatory or other authority provides the most effective available means to secure such relief for the complainant. That department or agency shall then consider the complaint so transmitted, take such action thereon as that department or agency shall determine to be appropriate, and transmit to the complainant a written reply describing the action so taken or, if no action is taken upon such complaint, the reason for its inaction. A copy of each such reply shall be transmitted to the Department.

(c) Whenever the Department receives from any source any information disclosing a probable violation of (1) any law of the United States, (2) any rule, regulation, or order of any administrative officer or regulatory agency of the United States, or (3) any judgment, decree, or order of any court of the United States, relating to the trade or commerce of the United States, the Department shall transmit promptly, to the officer or agency charged with the duty of enforcing such law, rule, regulation, order, judgment, or decree, for appropriate action, such evidence and information as the Department may have concerning such probable violation. It shall be the continuing duty of the Department to ascertain the nature and extent of action taken with regard to probable violations so reported.

(d) The Department shall publish from time to time

and disseminate to the public, in such manner and form as the Department may determine to be most effective, information concerning—

- (1) the functions and duties of the Department; and
- (2) problems encountered by consumers generally within the United States, including particular commercial and trade practices which are detrimental to the economic interests of such consumers.

Transfer of Functions

Sec. 8. (a) All functions, powers, duties, and obligations; all officers, employees, property, and records; and all unexpended balances of appropriations, allocations, and other funds (available or to be made available), of the following agencies or parts of agencies are hereby transferred to the Department:

- (1) The Food and Drug Administration of the Department of Health, Education, and Welfare;
- (2) The Division of Prices and Cost of Living of the Bureau of Labor Statistics of the Department of Labor;
- (3) The Home Economics Research Branch and the Human Nutrition Research Branch of the Agricultural Research Service of the Department of Agriculture; and
- (4) Those elements of the National Bureau of Standards which the Director of the Bureau of the Budget shall determine to be engaged primarily in research with respect to, or the testing of, articles intended for use by consumers.

(b) This section shall take effect ninety days after the date of enactment of this Act, or on such earlier date on which the Secretary determines, and announces by proclamation published in the Federal Register, that the Department has been organized and is prepared to exercise the powers conferred and discharge the duties imposed upon it by this Act.

Economic Surveys and Investigations

Sec. 9. (a) It shall be the duty of the Department, in the public interest—

- (1) to conduct economic surveys and investigations with respect to—
 - (A) the production capacity for, and the production of, goods affecting consumers within the United States;
 - (B) the systems and mechanisms in use for the distribution of such goods, and the effects thereof;
 - (C) the levels of prices for goods and services affecting consumers, the factors entering into their establishment, and their reasonableness;
 - (D) the quality and suitability of goods affecting consumers, and the factors influencing the quality and suitability of such goods; and
 - (E) the degree to which the trade and commerce of the United States succeeds in satisfying consumer needs for goods and services; and
- (2) to analyze and disseminate to the public information obtained through such investigations and surveys.

(b) In the conduct of such surveys and investigations, the Department shall have power—

- (1) to gather and compile information concerning, and from time to time to investigate, the productive capacity; volume of production; selling prices; cost of production and distribution; volume of sales, assets, and earnings; and relationship to any other corporation, of any corporation engaged in commerce which has assets exceeding \$5,000,000 in value, and of any division or subsidiary thereof;
- (2) to require any such corporation, or any division or subsidiary thereof, to file with the Department in

such form as it may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the Department such information as it may require with regard to the factors described in clause (1), which reports and answers shall be made under oath if so prescribed by the Department, and shall be filed with the Department within such reasonable period as it may prescribe;

(3) to investigate from time to time trade conditions in and with foreign countries affecting the foreign trade and commerce of the United States, and their influence upon domestic price levels; and

(4) except as provided by subsection (c), to make public from time to time such portions of the information obtained by it hereunder as it deems expedient in the public interest, and to provide for the publication of its reports in such manner and form as may be best adapted for public information and use.

(c) Information received by the Department concerning the cost of production or distribution of any product by any such corporation, or any division or subsidiary thereof, may be made public only in a form which does not disclose such information with respect to any particular corporation, or any division or subsidiary thereof.

(d) Nothing contained in this Act shall be construed to authorize the Department to engage in any program of testing for the purpose of determining, as among the products of different producers, the relative merits or suitability of products of any class or type.

(e) For the purpose of conducting surveys and investigations under this Act, the Department shall have all powers which are conferred upon the Federal Trade Commission by section 9 of the Federal Trade Commission Act with respect to the conduct of investigations made by that Commission under that Act, except that the Department may not grant to any person any immunity from prosecution, penalty, or forfeiture in accordance with the provisions of that section without first obtaining the written consent of the Attorney General and serving upon such person a duly certified copy of any consent therefor granted by the Attorney General. The provisions of section 10 of the Federal Trade Commission Act shall apply to the act or omission of any person, partnership, or corporation with regard to any subpoena, order, requirement, or information of the Department to the same extent, and with the same effect, as if such act or omission had occurred with regard to a like subpoena, order, or requirement, or with reference to like information, of the Federal Trade Commission.

Consulting Services and Cooperative Activities

Sec. 10. (a) In the performance of its functions, the Department is authorized—

(1) to procure by contract services as provided by section 15 of the Act of August 2, 1946 (60 Stat. 810, as amended; 5 U.S.C. 55a), at rates of compensation not exceeding \$50 per diem for the personal services of individuals;

(2) to appoint such advisory committees as it may determine to be necessary for the effective performance of its functions;

(3) to designate representatives to serve on such committees as the Department may determine to be necessary or desirable to maintain effective liaison with other departments, agencies, and instrumentalities of the United States or any State, and with nongovernmental organizations, engaged in activities related to the functions of the Department; and

(4) to use the services, personnel, and facilities of

other Federal, State, and private agencies and instrumentalities with the consent of such agencies and instrumentalities, with or without reimbursement therefor.

(b) Upon request made by the Secretary, each department, agency, and instrumentality of the United States is authorized and directed—

(1) to make its services, personnel, and facilities available to the greatest practicable extent to the Department in the performance of its functions; and

(2) subject to provisions of law and regulations relating to the classification of information in the interest of national security, to furnish to the Department such information, suggestions, estimates, and statistics as the Secretary may determine to be necessary for the performance of the functions of the Department.

Saving Provision

Sec. 11. Nothing contained in this Act shall be construed to alter, modify, or impair any provision of the anti-trust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

Definitions

Sec. 12. As used in this Act—

(a) The terms "commerce" and "corporation" have the meaning given to such terms by section 4 of the Federal Trade Commission Act (15 U.S.C. 44);

(b) The term "regulatory agency of the United States" includes the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Maritime Board, the Federal Reserve Board, the Federal Trade Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the United States Tariff Commission, and any other board, commission, or other agency of the United States hereafter established which is charged with administrative or regulatory duties with respect to the trade or commerce of the United States.

(c) The term "antitrust law" includes—

(1) each provision of law defined as one of the antitrust laws by section 1 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730, as amended; 15 U.S.C. 12), commonly known as the Clayton Act.

(2) the Federal Trade Commission Act (15 U.S.C. 41 and the following);

(3) section 3 of the Act entitled "An Act to amend section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (U.S.C., title 15, sec. 13), and for other purposes", approved June 19, 1936 (49 Stat. 1528; 15 U.S.C. 13a), commonly known as the Robinson-Patman Act; and

(4) any statute hereafter enacted by the Congress which prohibits, or makes available to the United States any remedy with respect to, any restraint upon or monopolization of commerce, or any unfair trade practice or unfair method of competition in or affecting commerce.

(d) The term "State" includes any State, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

Appropriations

Sec. 13. There are hereby authorized to be appropriated to the Department such sums as may be required to carry into effect the provisions of this Act.

ARE YOU A PERFECTIONIST?

If so, your habits can help or hurt your business
depending on how you control these characteristics

(From NATION'S BUSINESS)

THE PERFECTIONIST is found in all industries, in small and large companies, and in high and low positions.

He can be a priceless contributor or he can wreck a business. So it is important for you to recognize perfectionist traits in yourself and in your employees and channel this characteristic to its best use.

It will be useful to know:

- Who perfectionists are.
- Perfectionists' strengths.
- Their weaknesses.
- How to change them if necessary.

Many men described by themselves, their superiors, their subordinates, or their wives as being perfectionists are not.

A perfectionist is not simply a person who sets high standards for his work. Demanding supervisors are not necessarily perfectionists, nor are those who become absorbed in details.

The perfectionist can be a personable retailer, an intensely disliked autocrat, a complacent assembly-line worker, or a driving corporate president. He can be creator or copier, intelligent or ignorant, satisfied or frustrated.

The key identifying characteristic of the perfectionist is the compulsive nature of his behavior.

All perfectionists compulsively demand a higher quality of performance from themselves and others than is required.

Though tasks vary in the precision and effort required, the per-

fectionist sets a single standard for all work. Large and small jobs, those requiring low or high accuracy, are given equal attention and preference.

When all jobs are considered equally important and urgent, duplication of effort is likely to result. One officer of a leading bank would tell his assistant to telephone a person. A few minutes later he would place the call himself to be sure it was done.

He recalculated any financial analysis that passed over his desk. Since all matters had top priority in his thinking, it was extremely difficult for his subordinates to differentiate between really important issues and minor ones. Sometimes his antics amused them, but, more often, they felt confused and frustrated.

How does the perfectionist get the way he is?

Most were exposed to parents whose anxieties about neatness, timeliness and propriety forcefully fashioned the child's character. A

sense of responsibility was acquired prematurely.

Teachers like the child who turns in a neat paper, supervisors praise the employe who is on time and proves to be dependable. So, the pattern established in early childhood is rapidly reinforced in school, on the job, and in military service where strict adherence to rules of conduct is rewarded more often than not.

These culturally sanctioned traits are the strengths or overvalued virtues of the perfectionist.

The perfectionist is usually dependable and reliable. He can be counted on to maintain high standards and a high degree of accuracy in his work.

He is obedient, requires little supervision, and his behavior is predictable. A mixture of stubbornness and persistence help him to succeed when others may fail.

These characteristics are possessed by many business presidents who have been successful because of reliable service, a uniformly excellent product or scrupulous honesty. Often they have exploited one or two good ideas, solidified their gains through prudent money management, and made a fortune.

Persistence may also pay off in creative dividends. It has been said that Edison experimented with more than 1,600 kinds of material before he found the carbonized thread that glowed in a vacuum. So, if the perfectionist happens to get



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on the right track, thoroughness can be the road to success.

He usually excels in areas where the demand for precision is high and where he works more with things than with people. In certain areas of engineering and accounting, he can find an ideal niche.

With his need for precision and predictability, it is little wonder the perfectionist encounters problems in human relations. Although frustrated by man's imperfection, he persists in his desire to make over his subordinates.

He harasses his underlings about trivial matters and rarely praises them. He is a stickler for detail and

a people-needler.

He may not punish others. He may punish himself. He frets over problems, and overlooks big issues while pursuing lesser ones. There is a frantic sense of futility in his efforts to do so many things so well.

It can be painful for him to make decisions. He is so eager to be right, so afraid to take a chance, that he delays unnecessarily.

His efficiency ratio—net productivity contrasted with energy and anxiety output—is low.

When the unreasonable demands of the perfectionist's conscience are not met, overwhelming guilt follows.

The prohibitions of his conscience are often directly contrary to the secret wishes of the perfectionist; he is orderly when he would like to be sloppy, obedient when he yearns to rebel.

Generally the perfectionist's behavior is rewarded up to a certain point, then he is punished.

When he does well in carrying out fixed procedures and his superiors can depend upon him, he becomes a candidate for promotion. There comes a time when he is promoted into a job where he is expected to make, not follow, policy; where he is forced to delegate instead of doing all the work himself,

TEST YOURSELF

	Seldom	Fairly Often	Frequently
1 Do you feel that your work standards are lower than others?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Are you late for appointments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Are you described by your subordinates as "demanding"?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Is the top of your desk reasonably clear?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 How often do others refer to you as a stickler for detail?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Do incomplete tasks make you tense?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Do you have your secretary retype long letters when there is one error?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 How often do you really feel that you have done an excellent piece of work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Did your parents put considerable pressure on you to do better in school and in other pursuits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Do you enjoy routine work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This test was prepared by the author, Dr. Edwin M. Glasscock, a consulting psychologist.

Answers are on page 27.

and where the decision-making process demands greater flexibility and ingenuity.

This is when the habits he has cultivated, the sources of his success, fail him. Assets are dramatically converted into liabilities, and he is unable to function effectively.

By this time, he has a respectable record of seniority and accomplishment. His superiors are reluctant to fire him and yet they are dismayed by his performance. What follows is usually a series of transfers, special assignments, reductions in authority which leave the man embittered and baffled. The blame for such tragedies must be assigned to the executives who did not realize soon enough the real nature of this person's shortcomings. They failed to help him develop the traits required for positions of high responsibility.

An assistant to a vice president of one of the large railroads turned in such an outstanding performance that he was quickly earmarked for promotion. He had a keen mind, possessed a high degree of social finesse and handled assignments promptly and efficiently.

He was promoted into a general management position which geographically removed him from close contact with the vice president. Four months later, he had a nervous breakdown.

What happened?

With frequent guidance and without direct responsibility for critical decisions, he functioned effectively. But the assumption of weighty, personal responsibility paralyzed his power of decision.

The typical perfectionist rarely reaches such a crisis. However, he goes through life seeking goals he can never attain, worrying about problems he can never solve, and never gaining an appropriate degree of real satisfaction from his accomplishments.

Many perfectionists are able to help themselves, and many can be helped.

One chemical engineer had worked up through plant engineer-

ing to department head. He had a reputation for doing a perfect job in anything he undertook. Although effective, he was tense, worked excessive hours and did not delegate properly.

The plant manager recognized that strong steps were needed to help the engineer make better use of his talents. He gave him additional responsibilities and put pressure on him to make better use of his senior engineers. He showed him that his standards were unrealistic.

Though the engineer still frequently seemed dissatisfied with his accomplishments, he was praised when he had done a good job. When he spent too much effort on a minor project, even though he submitted excellent results, he was not complimented.

Today, he is much less tense, has greater insight, and has successfully developed his subordinates. He is the most likely successor to the plant manager.

Customarily, when the perfec-

tionist decides to change, he starts by trying to be less thorough and to show less attention to detail in everything he does. This unreasonable initial approach leads to failure.

The approach to problems of personal development often follows general rules of logic; the first step is to break the problem down into manageable units.

The perfectionist who earnestly wants to change should start by reducing his areas of concern. This can be accomplished by restricting or transferring some duties.

He must learn to ignore the inner voice that insists he accept obligations that aren't properly his.

It is necessary to transfer as well as restrict responsibilities. Real responsibilities cannot be disregarded, but they can be delegated. The perfectionist should analyze his work schedule and force himself to turn over as much work as he can to secretaries and subordinates.

One of the most basic problems of the perfectionist is to reevaluate his private golden rule; the one engraved upon his ego: "In whatever you undertake, do the best job you can." It is this insidious rationalization that causes him unmitigated discomfort.

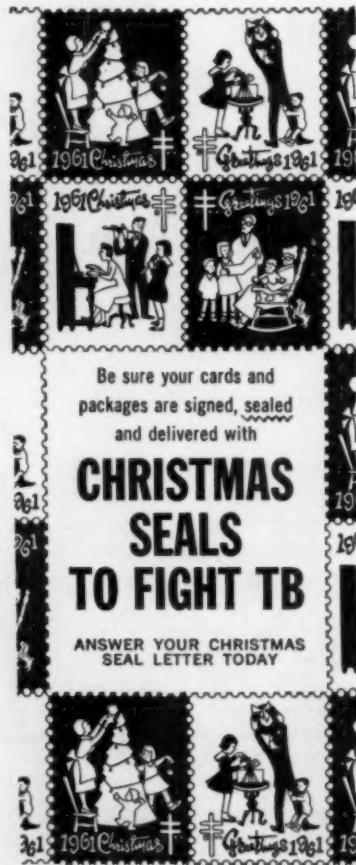
This rationalization buttresses feelings of pride and self-righteousness. The perfectionist asks himself, "Is it wrong for me to do my very best?" A negative answer seems to be absurd.

But is it absurd? A realistic and valid interpretation of the private golden rule would read: "Do the job as well as it should be done."

Instead of approaching every assignment with a fixed, objective standard, tailor work to the objective requirements of the task. Different jobs must be treated differently.

Finally, he must rip away his rationalizations for being hostile and punitive. He must be more lenient with himself and others.

In essence, he needs to learn to practice the art of realistic self-criticism.



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Discount Retailing:

Showdown or Revolution?

J. GORDON DAKINS

Executive Vice President,

National Retail Merchants Association

New York, New York

TODAY AS YESTERDAY, retailing is hoisted on the horns of a paradox. On the one side is the keen desire of customers for bargains; on the other, their pointed demand for quality, style and service.

There is nothing new about this dilemma. The conflict today between the particular breed of low-margin, low-cost, minimum-service distributor we refer to as the "discount house" and the "traditional retailer" is heightened and given additional dramatic impact by its scope as a nation-wide phenomenon and its concentration in a relatively brief period of time.

A century and a half ago, the itinerant peddler with his push cart full of pots and pans was the dismay of the general store merchant. Half that long ago, a young merchandising genius was brash enough to defy tradition and found a skyscraper of dimes on notions and novelty items piled out where the customer could see and feel them.

Now, to perpetuate the cycle, the older discount houses are being challenged by closed-door retailers and the so-called mill chains. The first, of course, get their name from the membership cards they sell to various groups. The second, which are generally fully self-service check-out operations leaning heavily toward soft goods, get their name from the abandoned mills in which they originated in New England.

If there is one unbroken tradition in retailing, it is that any gap in the distribution pattern will be filled by some enterprising entrepreneur.

That such a gap has existed in recent years cannot be denied. The growth of the discounter in the past two years alone is ample proof that orthodox retailing had overlooked an important segment of public demand. Last year the sales of some 2,500 stores generally classified as discount operations totaled \$3 billion. That was double the volume of discounters just two years earlier—and roughly 25 per cent of 1960 department store sales!

There is, of course, no simple explanation of why such a sizable gap opened or of why traditional retailers failed to exploit it themselves. The roots of the present mushrooming growth of discount operations can probably be found in the fertile soil of postwar shortages 16 years ago. They follow the highways toward the suburbs. They are nurtured by brand names and national advertising. They flourish in a climate of night hours and Sunday selling.

In the seller's market of the last half of the 40s, retailers found themselves faced with a newly affluent public demanding more and more of the abundance of goods, greater and greater technical marvels in the products they bought, better and better styling. Economic pundits began

telling us, early in the 50s, that the mass market no longer lay at the lower end of the salary scale, but was in a vast new middle class with a desire for gracious living and the money with which to buy it. Up-graded merchandise, newer and plusher stores, expanded service such as credit for the millions, seemed the order of the day.

And both the economists and the retailers were right. It all paid off and stores prospered. Had it not been so, the traditional retailer would undoubtedly have been in the vanguard of the new merchandising revolution. His very success left him vulnerable—and the discounter moved in.

When the first of the modern breed of low-margin operators opened their doors following World War II, conventional retailers were quite justified in viewing them in much the same light as the factory outlets of the 30s: opportunists taking advantage of temporary conditions. At a time when "selling" too often consisted of warding off customers until you could get the merchandise, many operators did business with little more than a catalog and a telephone.

Then the discounters found that they could parlay the names of national brands into volume business. In the course of doing so they re-discovered the motivating power of bargains. The word "discount" came to signify (however just or unjust) quality merchandise at bargain prices. The cost to the customer was seemingly only a few dispensable services such as helpful clerks, attractive fixtures, home deliveries and charge accounts. The apparent savings were in hard cash.

By cutting services and frills to the bone, the discounter found he could extend his bargain appeal beyond hard lines and branded items into apparel, home furnishings, toys and dozens of other lines. Today, the average discounter is aiming to do 70 per cent of his total volume in soft goods.

Night openings and Sunday selling account for a good deal of the discounter's success—and it is still estimated that from 20 to 40 per cent of discount business is done on Sunday alone. As he has fought fair trade laws to maintain what at best is a temporary advantage, so the discounter has fought Sunday selling restrictions.

In the suburbs the discounter found a virtual vacuum waiting to be filled. As Cyrus Adams III, controller for Carson Pirie Scott in Chicago, noted recently, the department stores seemed to forget completely in moving to the suburbs that 20 to 30 per cent of their downtown business came from low priced lines, and so failed to include basement departments in suburban branches. The discounter moved in and thrived.

The suburbs, retailers have discovered, are not filled

with rich people (nor are rich people themselves always inclined to forget about price.) In New York's Westchester County a mammoth, three-story "bargain basement", within a putting distance of a dozen country clubs, has little trouble keeping its vast parking lot jammed with discount shoppers.

As the discount houses were getting their foothold during the 50s, the reaction of traditional retailers was usually either not to consider them as serious competition or to meet their prices.

The first attitude obviously was wrong. The second, more often than not, has backfired. Smaller retailers with full lines of branded items cannot meet the prices of bait advertising and survive. The result is that many of them, following traditional merchandising practices except in pricing, have often had to drop certain lines themselves or remain in them only on a token basis.

Such purely defensive tactics rarely succeed against an entrenched and apparently permanent competition. What then is the course of retailing for the future?

From recent developments, it might seem that many retailers have decided to heed the advice of Harvard's Professor Malcolm McNair. Speaking at NRMA's Fiftieth Anniversary convention last January, Professor McNair said, in effect, that unless you can make your store a community institution with a definite image of its own, you had better join the discounters.

Woolworth's and Allied Stores have both announced an intention to develop national chains of discount stores; the May Company is developing its "store of the future," with discount departments incorporated into traditional stores; Kresge, City Stores, General Merchandising and L. S. Ayres, among others, are developing discount operations of one type or another.

Does this mean modern merchandising will become a vast discount operation? Will the traditional concepts of fashion authority, style leadership, assortment selling and all manner of service be relegated to a few scattered "institutions"?

The modern department store is too flexible, too versatile, too capable to let that happen. Moves toward discount operations by traditional retailers are no more portentous than moves toward traditional retailing by the discount operators. From the two extremes will emerge a synthesis which will let the customer have her cake and eat it too—as she always will in a freely competitive society. She will find the services and fashion authority in the areas she wants them; she will find the self-service and discounts in the areas she wants them.

Many larger stores will incorporate both extremes under one roof. Others will make use of "twigs", small but highly specialized branches catering to particular markets. Some services will be abandoned, others charged for and many new ones developed.

It will not, unfortunately, be a bloodless revolution. Competition will be fierce between traditional retailer and discounter, discounter and separate discount operations of the traditional retailer. And the closed-door operators and mill chains are going to join them in a grand competitive melee.

There will always be gaps in the competitive fabric, and there will always be someone smart enough to fill them.

The revolution in merchandising continues without end. We are likely to emerge from the 60s with merchandising concepts and techniques far different from those of today. The survivors among retailers will be those who welcome the challenge of change and adapt themselves accordingly.

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QUESTIONS AND ANSWERS

Thirty-nine questions are asked and thirty-nine answers are given in this booklet to assist our members in securing a workable knowledge of this important and complex Act. However, they are not intended in any way as legal advice. If, after reading this booklet you are still puzzled by any section of the Act, you should consult your own attorney.

The Soldiers' and Sailors' Civil Relief Act As Amended Just off the press 75 cents a copy

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STATE LEGISLATIVE ROUND-UP

NEW HAMPSHIRE . . .

A new small loan regulatory law which increases the ceiling on small loans from \$300 to \$1,500 is now in effect. The measure permits charges not exceeding \$16 per \$100 per year on that part of the principal of the loan not exceeding \$600 and \$12 per \$100 per year on that part of the principal of the loan exceeding \$600 but not exceeding \$1,500 and proportionately at those rates for a greater or lesser amount, within said limits, or over a longer or shorter term of loan.

NEW MEXICO . . .

A ruling handed down by the New Mexico Supreme Court unanimously held that all phases of the state's 1959 Abandoned Property Laws are constitutional. The high state court had been asked to rule on two different phases of the law, which sets up provisions for disposition by the State Treasurer of unclaimed property such as found in banks and life insurance companies, and various other items.

The high court, in ruling on the examining section, which had been declared unconstitutional by a lower court, said the opinion was in error and the State Treasurer "may at reasonable times and upon reasonable notice examine the records of any person if he has reason to believe that such person had failed to report property that should have been reported pursuant to the unfair disposition of the unclaimed property act."

NORTH CAROLINA . . .

A new state law aimed at protecting borrowers against loan abuses went into effect recently in the state. The new law was described as a result of a compromise between supporters of lenient and stringent legislation. It sets the maximum charge on small loans at \$26.10 on \$100. Heretofore, small loan borrowers paid about \$53.20 in rates, insurance premiums and fees to borrow \$100 for 12 months. The law also provides: tough penalties for violations, prohibits multiple loan offices to "double up" on loans, a \$600 ceiling on the amount of money which can be loaned at rates above six per cent, strict provisions on refunds and late charges, and a section permitting the State Banking Commission to reduce, but not raise, loan rates after periodic review of loan firm profits. Applicants for a license must prove "convenience and advantage."

WISCONSIN . . .

Governor Nelson signed into law a bill to permit instalment loan agencies to charge a maximum interest rate of 12 per cent a year on sums of less than \$5,000. The previous ceiling was 10 per cent.

FLORIDA . . .

Permission was granted to the Florida Retail Federation to participate in further action in a suit testing the constitutionality of the state merchants' inventory tax law. The law provides that inventories on stock in trade be assessed at 25 per cent of value. It was ruled unconstitutional by Circuit Judge Patten in August. County Tax Assessor Claude Franks announced plans to appeal. Franks and the Retail Federation contend that the law is constitutional. Franks also contends that if the law is constitutional the "uniform and equal provisions of the state constitution then make it requisite that he adjust all other assessments accordingly."

MICHIGAN . . .

More stringent laws are being sought to control collection agencies that "use threats and unscrupulous techniques to frighten people into paying their bills." Representative Edward H. Jeffries, chairman, said his Committee would conduct additional hearings in Detroit, Flint and other cities to determine whether the legislature should establish stiffer controls over collection agencies. Prosecutors urge state licensing, regulation of collection agencies and doubling of the \$5,000 bond required.

VERMONT . . .

To help out his financially pressed customers, a Vermont merchant undertook a "debt pooling" operation whereby they avoided bankruptcy. The merchant administered the affairs of his customers for a fee, dealing with creditors through the advice and assistance of his attorney. Such activities are illegal, according to the Vermont Supreme Court, because they constitute the illegal practice of law. While conceding that the retailer had acted in good faith and fairly with all customers, the court ruled

that the public interest is best served by attorneys rendering advice in such matters directly to the debtors. This decision should serve as a reminder to all merchants to check their state laws dealing with "debt pooling" before undertaking such services on behalf of their customers. (NRMA . . . STORES)

INDIANA . . .

The tightening of bank credit procedures rather than making changes in the state's mechanic lien law was advocated by speakers at a hearing conducted by an Indiana Joint Legislative Committee investigating the law. Richard E. Adomatis, member of the Indianapolis Real Estate Board, proposed other solutions to mechanics' liens, which at times force homeowners to pay twice for one job. He said the present lien law "should not be touched," but that "fly-by-night operators should be stopped before they can begin operating in a community." Adomatis called for a tightening of bank credit standards for the building industry.

NEW YORK . . .

New state legislation to further protect consumers in instalment buying was advocated by the New York State Attorney General's office at a hearing conducted in New York City by the Joint State Legislative Committee on Commerce and Economic Development. Assistant Attorney General Mark T. Walsh declared that "corrective legislation seems to be urgently needed in the following areas: Financing personal property; real estate transactions; collection agencies; automobile financing; and lifetime contracts in the sale of social services." Two areas of particular interest are: *Balloon Notes* in the financing of personal property, and *Collection Agencies* licensing in a manner similar to private detective agencies.

MARYLAND . . .

A strict licensing law for home improvement contractors is being prepared by a state legislative study commission to be submitted to the 1962 legislature. Delegate H. Kemp MacDaniel, chairman, said the committee is considering a provision that would require the posting of performance bonds. It is also readying a deceptive trade practices act and a model contract for action by Maryland lawmakers. The licensing measure would prevent a contractor from soliciting business without first registering and securing a permit from the state.

NORTH CAROLINA . . .

A hearing on the first administrative appeal by a company seeking to open a small loan office under the new consumer finance law was scheduled before State Banks Commissioner Ben Roberts. The Southern Finance Co.'s application to convert its automobile finance office in Lenoir to a small loan office was rejected by the State Banking Department on the basis of convenience and advantage. Three other applications for small loan offices were approved.

TEXAS . . .

Governor Daniel directed the Texas Legislative Council to update a study of proposed small loan regulatory legislation in preparation for a forthcoming special state legislative session, the date for which has not been set. The 1958 basic report made two basic findings: One, it recognized the need for a state constitutional amendment giving the legislature power to regulate the small loan business including allowing charges in excess of the State's 10 per cent usury limit, and Second, it recommended a regulatory agency to operate under the State Banking Commission for enforcement of regulations. It did not, however, deal with maximum rates to be permitted inasmuch as at the time the council prepared its recommended legislation, the constitutional amendment had not been enacted.

CONNECTICUT . . .

The State Pharmacy Commission held a special meeting to discuss two court appeals involving the establishment of pharmacies in discount houses. The Commission declined comment about the discussion and said only that "no decision has been reached." The appeals have been taken to Superior Court by Saunder Kaufman of the Insurance City Pharmacy and Abraham Rosen, who seeks to open a pharmacy in the G. E. Madison Store. Both cases involve an action taken by the Commission in July to prohibit the establishment of a pharmacy which provides access into another store or part of a store.

ALABAMA . . .

The Governor signed into law Act No. 57 which prohibits any person from obtaining or attempting to obtain credit, goods, property or services by false or fraudulent use of credit cards or other false and fraudulent means and prescribed penalties for offenders.

MONTANA . . .

The constitutionality of a 1961 law to place a heavy tax on retailers using redeemable promotion items was challenged in a suit filed in District Court in Helena by Paul Stewart, president, Garden Spot Market, Inc. "Laws of this kind are ill-conceived attempts to eliminate competition and to restrict a retailer's right to operate his own business," said Stewart.

We Present...

NRCA's District Presidents

NEXT IN IMPORTANCE, responsibility and achievement to our National President and Officers are the Presidents of our twelve Districts. We gladly pay tribute to them and applaud their personal sacrifices made willingly to serve our profession.

District One

EDWARD F. KENNEDY

Graduate, Boston College, Class of 1940, majored in Business Administration; attended Bently School of Accounting and Northeastern University. Upon graduation from college entered employment of Grover Cronin, Inc., Waltham, Massachusetts. He has been Credit Sales Manager for that firm for 17 years.

Mr. Kennedy is instructor in Credit and Collections for the Commonwealth of Massachusetts, Department of Vocational Education, and has served in a similar capacity for the Boston Retail Credit Mens Association. He is a member of the Operating Council, Credit Bureau of Greater Boston, and also is on the Executive Committee. In his District, Mr. Kennedy has always graciously undertaken any assignment given to him and has made a major contribution to the betterment of credit conditions locally and nationally.

Mr. Kennedy is married. He and his wife, Ruth, have five children.

District Two

HENRI R. WOLKOFF

General Credit Manager, Town Shop, Poughkeepsie, New York, which operates six women's apparel shops in New England.

Member of NRCA since 1948, Mr. Wolkoff has been recognized as a "Certified Consumer Credit Executive" under the National Retail Credit Institute Professional Certification Program. His Association activities include President of the local association and chairman of numerous committees. In District Two he has served in many capacities culminating in the presidency. He has participated in several district and national committees and programs as well as being selected as National Director.

Mr. Wolkoff has instructed two credit and collection courses in Newburgh, New York and lectured for the New York State Department of Commerce in Small Business Management courses. He has also lectured on consumer credit before many civic, social, business and professional groups in the area.

He and his wife, Nan have been married for 19 years. Mr. Wolkoff is a Major in the U. S. Air Force Reserve,



Edward F. Kennedy



Henri R. Wolkoff



Julian J. Barfield

and served in the Armed Forces during World War II and the Korean War.

District Three

JULIAN J. BARFIELD

Received his A.B. and M.A. degrees from Emory University. Graduated 1958 from Stonier Graduate School of Banking, Rutgers University. Now Assistant Vice President, The First National Bank of Atlanta, Georgia.

Mr. Barfield is a member of the Atlanta Historical Society; president and treasurer for several years, receiving citations for his meritorious and outstanding service, of the Peachtree Civilian Club. He is past president of the Atlanta Retail Credit Association; past president, Atlanta Chapter, American Institute of Banking, member of Hahira Baptist Church, Atlanta Athletic Club, and alumnus of Pi Kappa Phi Fraternity.

During World War II Mr. Barfield served as a lieutenant in the U. S. Naval Reserve.

District Four

RUSSELL B. DAVIS

Born April 7, 1915, in Nashville, Tennessee where he was reared and educated. First employer was the Neuhoff Packing Company. On December 12, 1942 he married Ethel McAlister Joy. They have two teenagers, Russell, Jr. and Sally.

During World War II he served in the Army, attaining the rank of captain. After the war he joined the staff of Albert B. Maloney & Company, an accounting firm in Nashville; was employed by Joy Floral Company as Office Manager in March, 1948, and now holds position of Treasurer and Retail Manager.

Some civic positions Mr. Davis has held include President, Nashville Retail Credit Association; Past President of Nashville Booster Club, and Past President of Middle Tennessee Allied Florists Association.

Member Trinity Presbyterian Church. Also a Shriner and 32° Scottish Rite Mason.

District Five

HARRY LEPOLD

Born 1918 and raised in Toledo. Graduated from University of Toledo, 1938. Spent six years in the personal finance field and then two and a half years in the U.S. Navy during World War II. Now is Credit Sales Manager, Koback Furniture Company, Toledo, Ohio, since 1947.

Elected to the Fifth District Board of Directors in 1956;



Russell B. Davis



Harry Lepold



Raymond S. Bentson

made Ohio State Membership Chairman; and Vice President of the District and named President at the District Conference, Cleveland, February 1961.

Mr. Lepold has lectured before high school classes in Toledo. Served on Board of Trustees, Temple B'nai Israel for six years, and Chairman of Sunday School Committee for five years. He is a Trustee of Twin Oaks Country Club and chairman of Entertainment Committee.

He is married and has two daughters. Hobbies are swimming and fishing.

District Six

RAYMOND S. BENTSON

Mr. Bentson has been affiliated with Iowa Public Service Company since February 1925, in the Customer Service, Sales and the Accounting Departments. Made assistant credit manager in 1939 and immediately became a member of Sixth District NRCA.

In 1942 he was promoted to Credit Manager and still retains that title in addition to being Chief Clerk and Office Manager of the Sioux City Division.

He has been active in the Sioux City Retail Credit Association for many years and has been president for three different terms.

Mr. Bentson says, "I believe that every member of the National Retail Credit Association should attend both National and District Conferences each year, if at all possible, but in any event one of these educational conclaves. The money spent in attending these meetings is returned many times over from the ideas one receives from fellow credit granters."

District Seven

DOUGLAS EVANS

Credit Sales Manager and Assistant Treasurer of The J. F. Sample Company, El Dorado, Arkansas for ten years. Attended the University of Oklahoma NRCA Credit Institute in 1953, 1954 and 1955. Has served as President of El Dorado Credit Association, President of the Arkansas Credit Association and is currently serving a fourth term as Secretary-Treasurer of the State Association. Mr. Evans has made many contributions to the cause of better credit education both on the local and national levels.

Mr. Evans has been recognized as a "Certified Consumer Credit Executive" under the National Retail Credit Institute Professional Certification Program.

During World War II he served with the Army in Europe being discharged with the rank of captain. Member of the Board of Red Cross, Chamber of Commerce, Kiwanis Club, American Legion and Masonic Lodge. He has served in several capacities of the Community Chest campaigns and is active in civic affairs.

District Eight

MILLARD SNELL

Graduated from business college. Credit Sales Man-



Douglas Evans



Millard Snell



Arch Merideth

ager of Lichtenstein's Inc., Corpus Christi, Texas, going to work for the store originally in 1932.

During his term of office as District Eight President, Mr. Snell plans to attend and participate in the several regional credit conferences which are held in the State of Texas. Mr. Snell strongly believes that every consumer credit executive owes it to his profession to be a loyal and diligent worker in the cause of the betterment of consumer credit.

Mr. Snell is married and has one daughter. He is a member of Kiwanis Club; past president local Retail Credit Executives and past president of Regional Retail Credit Executives for two terms each. He is a member of the Methodist Church.

He served in the Army in World War II for four years. He went in as a private and came out as a captain.

District Nine

ARCH MERIDETH

Mr. Merideth began in the consumer credit field in 1934 with B. F. Goodrich Company, Denver, Colorado, as Assistant Budget Manager. In August, 1937 went to Akron and Cleveland for extensive training as a Sales Supervisor. In 1942, on leave of absence, served as Assistant Regional Investigator for the Federal Government, returning to B. F. Goodrich in 1944 to assist in rationing program, until the lifting of Regulation W. Was then assigned to recruiting, developing and training of credit sales personnel for company owned and dealer owner stores.

Now employed by The Fashion Bar, Ladies' Ready-to-Wear 13 store chain in Colorado, since 1955. He is in full charge of overall credit and collection policies and procedures.

Mr. Merideth has been an NRCA member since 1955 and has been recognized as a "Certified Credit Executive" under the National Retail Credit Institute Professional Certification Program.

District Ten

JOSEPH B. MOORE

Born in Seattle, Washington, January 1, 1909. Graduated from University of Washington with a B.A. degree. Began credit work in 1933 when employed by Seattle Gas Company, and has been Credit Manager for Diesel Oil Sales Company, Seattle, since 1948.

Mr. Moore is married. He and his wife, Barbara, have two children. He served in the U. S. Army for five years, including three in the European Theatre during World War II. Holds rank of Lieutenant-Colonel in the Reserve, and is Comptroller of 7542 Seattle Transportation Army Terminal.

He has served in various offices of the Seattle Retail Credit Association, and as Chairman of the Credit Committee for Seattle Oil Fuel Dealers Credit Association.



Joseph B. Moore



Virgil W. Phillips



David G. Jeffrey

Mr. Moore has been recognized as a "Certified Consumer Credit Executive" under the National Retail Credit Institute Professional Certification Program.

He is treasurer of the Central District of Boy Scouts of America and a vestryman of St. Marks Cathedral.

District Eleven

VIRGIL W. PHILLIPS

B. S. degree, Berea College, Berea, Kentucky and M.A. degree, University of Missouri, Columbia, Missouri.

Field Supervisor, USDA Farm Security Administration (Farm and home loans) from 1935 to 1943. He served in the U. S. Navy from 1943 to 1945.

Mr. Phillips is now the District Credit Manager of Foremost Dairies, having been with them since 1946. He has made many important contributions to consumer credit education and also to the advancement of the individual credit manager in his area.

Mr. Phillips is an Executive Officer in the U. S. Naval Reserve Military Sea Transport Service 12-9; the Financial Chairman of the Saratoga Community Chest; and on the Board of Directors of the Associated Wholesalers, Inc., in San Jose, California.

District Twelve

DAVID G. JEFFREY

Credit Sales Manager, Scranton Dry Goods Company since 1942. Served two terms as President of the Credit Managers Group of the Scranton Retail Merchants Association; and is a member of the Credit Committee of the Retail Merchants Association. Mr. Jeffrey has worked diligently on the district level to advance NRCA's objectives and programs.

First Vice President, Avoca Lions Club and Superintendent, St. Johns Primitive Methodist Church, as well as Station Steward. Active in civic affairs in the community. Served as Chairman of Red Cross and Heart Fund Drives. Active in Boy Scout activities for many years and responsible for Little League Baseball being introduced in his area.

During World War II Mr. Jeffrey served with the First Infantry Regiment of the Sixth Infantry Division 21 months in the southwest Pacific.

He is married, and he and his wife Jane have one daughter, Karen Jane.

Canadian Consumer Credit Conference . . .

The sixteenth Annual Canadian Consumer Credit Conference will be held at the Macdonald Hotel, Edmonton, Alberta, Canada, February 11, 12, and 13, 1962.

Wilfred E. Ryan . . .

Wilfred E. Ryan, 59, died recently in Los Angeles, California. He was credit manager since 1947 for Broadway department stores of that city. He leaves his widow and three sons. He was a member of the Quarter Century Club of the NRCA.

For Sale

Used Addressograph machines, automatic Graphotypes, Addressograph plate cabinets, cycle billing files. A-1 condition. Write W. V. Morphy, Macy's, Herald Square, New York 1, New York.

John P. Franklin Retires . . .

John P. Franklin, Secretary-Manager, The Credit Bureau, Santa Barbara, California, retired recently after many years of service. He was succeeded by Gerald D. Ash, formerly with Seaside Oil Company for the past 15 years.

"Emergency Controls"

(Beginning on page 5.)

quires any individual or corporation responsible for the continuity of a business and for its assets and equities to think about specific forms of preparedness.

Many companies already have rather comprehensive plans for survival and operation in time of emergency. These may include duplication of records, designation of lines of succession, relocation sites, instructions to their employees and managers and so on.

We find it much more difficult to get people to take seriously some of the more intangible forms of preparedness.

What do those involve?

Awareness of the kinds of problems which the country would face following a nuclear attack and an understanding of how people might prepare themselves to help meet them.

Business people should not regard any aspects of modern-day preparedness as being remote from their day-to-day interests and responsibilities. They should at least try to understand the nature and direction of the preparedness which eventually must be developed. Given this awareness and understanding, I believe most business people will see how they and their operations might fit into the picture.

If the United States can eventually develop a capability to survive and to rebuild itself—should some kind of madness trigger the use of nuclear weapons—it will be because individuals and organizations take the development of this capability seriously and do something about it.

Did You Get a New NRCA Member Last Month?

Support the efforts of your membership committee by getting a new member today!

Rank	New Membership Growth June-October	District
1	+ 131	5
2	+ 68	4
3	+ 50	2
4	+ 43	11
5	+ 23	7
6	+ 21	3
7	+ 18	9
8	+ 11	12
Foreign	- 2	
9	- 56	8
10	- 57	1
11	- 139	10
12	- 160	6

Send all applications to your Credit Bureau Manager or to National Retail Credit Association, 375 Jackson Avenue, St. Louis 30, Missouri.

D. D. Godfrey M. T. Warrick B. K. Ward Lily Person
NRCA ACBofA CSD CWBCofNA



JOHN L. SPAFFORD
Executive Vice President
Associated Credit Bureaus of America

Strong Roots Make Mighty Trees

THE LAST HALF of the twentieth century finds the United States embarked on the greatest and most exciting financial experiment in history. Well aware that an active consumer market is the stimulus needed to spark the high production, full employment and mass consumption vital to the development and maintenance of a dynamic financial system, the nation has fully committed itself to a consumer credit economy. As a result, the American people enjoy one of the highest standards of living ever attained by an *entire* population.

However, despite the fact that consumer credit has proven itself both a spur to industry and a boon to the consumer, there are still those who contend no good can come of it. And, as if to support their contention, the number of personal bankruptcy cases filed in the U. S. federal courts has increased steadily during the past few years. According to a report issued by the Commerce Clearing House, voluntary straight bankruptcy cases—the majority personal or nonbusiness proceedings—accounted for nearly six out of every seven of the record 146,843 filings processed through the courts during the fiscal year ended June 30, 1961.

Such figures cannot—and certainly should not—be ignored. But neither should they be allowed to cause alarm or panic. They merely indicate a development that requires the calm, objective consideration of all members of the consumer credit profession and prompt corrective action.

Such action can be most effective if taken on a local level. Just as many strong roots make a healthy tree, so sound local consumer credit economies make a sound national financial condition. You, as a member of your local Retail Credit Association and, through it, of the National Retail Credit Association, are in an excellent position to play a leading role in insuring the stability, desirability and continued success of the consumer credit economy locally and nationally. Such leadership requires unfaltering integrity, constant vigilance, education, experience and a large measure of common sense.

The first step, of course, is to review the policies of your own credit department. Are they realistic? Are they clearly and concisely stated? Have they been published for the benefit of all your current and potential credit customers? Do you adhere to them? Is it standard procedure to secure a credit report on each applicant for credit privileges? Do you routinely report your ledger experiences to your local ACBofA-affiliated credit bureau? Do you refer problem accounts for COLLECTRITE service? ACBofA members share your concern about the continued well-being of the credit economy and stand ready to help you solve your credit problems ethically, efficiently and economically.

Have you reviewed the NRCA Code of Ethics recently? This simple five-point statement gives you an excellent basis on which to build a program of valuable community and professional service.

By attending RCA meetings regularly, you can easily keep in close touch with local credit and business trends. Problems or undesirable situations can be discussed and eliminated long before they reach serious proportions. The various publications and reports issued by your local association and by the NRCA Executive Offices can keep you up to date on the latest developments in all phases of the consumer credit field. Current national trends—good and bad—legislation and other pertinent matters are brought to your attention in ample time to take action or to revise your operations. Take the time necessary to read these publications carefully.

Today, credit executives are recognized as professional people in every sense of the word. They are expected to have a sound business education and thorough training in their special field. But the credit industry, like every growing business and profession, is not static. New developments, new processes, new equipment and new ideas are constantly being explored, tested and put into practice. Through your local RCA, you can obtain numerous outstanding educational programs for credit department management and personnel and for consumers as well. Investigate these programs, bring them to the attention of your fellow members and put the material to use.

As far as experience is concerned, RCA and NRCA membership gives you—and every other member—the equivalent of thousands of years of experience upon which to draw.

But all of this is of little use if you fail to use the common sense necessary to insure proper application of your knowledge, experience and vigilance. For instance, suppose John Doe applies for credit and the credit bureau report you obtain on him shows his obligations are too heavy for his income and he is currently listed as "slow pay" by several local firms. Do you grant him credit privileges? Or do you help him and yourself by gently but firmly refusing the account? When a credit user pyramids accounts, the fault is often as much his creditors' as it is his.

Consumer credit is based on a very democratic principle. It assumes that all men and women are capable of assuming responsibility for their actions. And in the vast majority of cases, this assumption is justified. Hard work and consistently ethical conduct on the part of everyone connected with the retail credit industry can aid the small minority who get into difficulties through inexperience, poor management or unforeseen financial reverses.

Assume your full share of the responsibility and help make the American experiment a goal for all nations. You will find the effort well worthwhile.

CREDIT DEPARTMENT COMMUNICATIONS



LEONARD BERRY

SUCCESSFUL MANAGERS of credit sales know from years of actual experience that they can trust the individual. The vast majority of people can be trusted with their own affairs. They will handle them with discretion and caution. Credit to these fine people is a tool for creating better living, but also a tool to be used with care and skill.

It seems to me that one of our major problems is to create faith in people in the minds of credit executives themselves. Often, they act as though they had scant faith in anyone—they always see the dark side, the risk and the failure.

To be sure, there are a few utterly credit-unworthy people. How many? According to most authorities certainly not over ten per cent of our total adult population. Credit losses usually come from this small group. It is sound procedure to protect oneself against this marauding minority by thorough checking of all applications through the Credit Bureau. The profitable extension of credit means extending the maximum amount of credit to the greatest number of people and at the same time to avoid undue losses from the credit cheats and the credit careless.

Modern credit operations require that the credit executive take on just as many from the "gray" area as possible. It is in this field that the credit manager becomes a credit sales manager. The timid, fearful credit manager tends to reject too many applicants. The overly-optimistic, starry-eyed, inexperienced person might possibly take on too many. However, with full use of the Credit Bureau and with a strong, aggressive collection department, it is more profitable to err in the direction of being too trusting than in being wholly distrustful.

Trust the individual, until and unless the individual gives clear evidence of his credit-unworthiness. This is the frame of mind which creates profitable sales. This is the attitude which builds successful organizations. This is the precept which is good for America, just as it was for ancient Athens, the world's first democracy.

Seventy out of every hundred people will pay exactly as they promised they would. Twenty out of the hundred will be slow to varying degree but will pay before the deadline. Five out of the hundred might require heavy pressure but will pay, while only five will turn out to be completely credit-unworthy.

This is very encouraging in an economy where 95 per cent of autos are bought on credit of one kind or another. Of the furniture sold, 83 per cent is sold on credit; appliances 87 per cent and clothing 60 per cent. Even groceries

are sold on credit, about 40 per cent of them, with the percentage steadily rising as large food chains enter the credit field.

Credit has helped Americans to live better, longer and happier. Credit granters hold an important position in making sure that all deserving people are given all the credit they want. This means trusting the individual!

In writing collection letters the same spirit must prevail. The vastly greater number of people who are slow in paying their bills are slow because of unforeseen financial complications. Time and patience will eventually straighten these problems out. Except for the few who are clearly in the category of credit cheats, collection approaches should be friendly, cooperative and constructive.

All the way through, from credit sales promotion to account collection, the keyword should be *salesmanship* and the guiding principle, *the individual can practically always be trusted*. This is the way to build friends for the store or firm. This is the way to increase profitable credit sales.

All our letter illustrations this month are of the good will-building variety. It is true that modern business is often based largely on friendship. And as Emerson said, "The only way to have a friend is to be one". Christmas and the New Year offer admirable opportunities for writing the kind of letter that has as its principal purpose the cementing of business friendships and the expression of gratitude for patronage.

This Month's Illustrations



Illustration No. 1. Here is a fine good will-building letter sent by the local representatives of *Auto-Typist*. These two young men are aggressive and thoughtful. Note the simplicity and sincerity of the letter. These are two essentials to the successful good will letter.

Illustration No. 2. The Holiday Season brings many demands for extra cash as well as generous credit extensions. In this colorful and appealing letter from the local office of the Seaboard Finance Company, the timely offer of financial assistance is especially well worded.

Illustration No. 3. This letter was sent to the National Office a couple of years ago when Wimberley C. Goodman, Reynolds-Penland Company, Dallas, Texas was President of the Retail Merchants Association of Texas. We are glad to show it here as an example of the warmth and sensitivity which a kindly gentleman can put into a letter. This is what we mean by an "affection-creating" letter.

Illustration No. 4. Here again we have a splendid letter which came to us at the National Office from the Tension Envelope Corporation, St. Louis, Missouri. It is particularly well worded and the heartwarming design of the letterhead forms a fitting frame for the pleasant words.

We sincerely hope that you will find these illustrations timely and useful. You are cordially invited to send in examples of your successful credit and collection letters to help your fellow credit executives improve theirs. Letter writing nowadays is the art of favorably influencing people and involves salesmanship of the highest order. We can all help each other by sharing our ideas.

To all our members we offer our best good wishes
for a truly **Merry Christmas**
and a **Happy New Year**.



(1)

Mr. Leonard Berry
National Retail Credit Association
375 Jackson Avenue
St. Louis 30, Missouri

Dear Mr. Berry,

It is pleasant at Christmas time to include with messages of cheer and happiness. . . . appreciation.

And at this time we want to thank you, Mr. Berry, and want you to believe that we are sincerely grateful for the confidence you have shown in us.

Our heartiest wishes for a Merry Christmas and a New Year full of Happiness and Prosperity.

Cordially,
L. A. MARLER COMPANY

Larry Marler *Tom Marler*
Lawrence A. Marler, Jr. Thomas J. Marler

Merry Christmas

(3)

As we approach the joyful Christmas Season, our hearts instinctively turn toward those we love and cherish, our family, our friends and our associates. We yearn to see them happy and contented. The joy that filled the hearts of the people who dwelt in the hills of old Judea on that eventful and glorious night in the long ago, floods our own hearts with the pleasing warmth of friendship and good will.

It is significant that in the midst of a world beset with grave and serious problems, confused and baffled from every direction, torn with strife, and full of threats and dissension that finds its way into the daily lives of the people, yet the approach of the Christmas Season brings to the human heart a full measure of peace, calm and contentment . . . a convincing tribute to Him whose birthday we celebrate.

So, in the midst of the hustle and hurry of Christmas shopping, with bells ringing, sparkling lights, glittering tinsel, decorations, green trees and beautiful music, I sincerely join the officers and directors of the Retail Merchants Association of Texas in extending to our members, our fellow workers and our friends throughout the state a Merry Christmas and a Happy New Year.

Wimberley C. Goodman
Wimberley C. Goodman, President
Retail Merchants Association of Texas



even Santa knows...

to balance your
HOLIDAY BUDGET

you need plenty of
EXTRA CASH!



Dear Customer:

Holiday shopping days are coming up fast and you'll want to be sure you have the necessary money now to do the many things you want throughout the Holidays. And the most convenient way is with an "EVER-READY-CHEK" loan account at Seaboard.

IT COSTS NOTHING TO OPEN AN "EVER-READY-CHEK" ACCOUNT...

You'll receive an immediate supply of \$50 Checks - similar to the one shown on the enclosed form - when your line of credit is established. These are yours to use as you choose and they are cashable any time, anywhere.

You are never charged for uncashed Checks - and on cashed Checks, you pay only for the time you actually use the money.

Because of the manner in which you handled your previous account with Seaboard, it is possible for us to give special attention to your application for an "EVER-READY-CHEK" Account. Just phone or visit the office this week or fill in and mail the enclosed application. We think you'll enjoy this new convenience.

Cordially,

G. E. Ameling

Manager



6122 EASTON AVENUE • ST. LOUIS 33, MO. • Tel. COMplex 1-0880



(4)

To Our Friends:

For fifty-two weeks in every year our greatest pleasure is saying "Thank You" to our customers for the many favors that are shown us.

And then comes Christmas!

It's that very special occasion when folks stop business cares and worries -- and greet each customer and friend in a very special sort of way. That's why we're writing you today!

All of us here at Tension want to express true appreciation for your past favors -- and to again thank you most sincerely for the privilege you have given us to serve you. We truly appreciate your friendship -- and will do our best to merit your goodwill in the future.

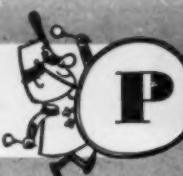
But! We didn't start out to "talk shop" in this letter. Instead, we want to wish you the Merriest kind of a Merry Christmas -- and a New Year full to overflowing with Happiness, Peace and Plenty.

Sincerely,

TENSION ENVELOPE CORPORATION

D. Nease
President

TENSION ENVELOPE CORPORATION — 2001 Southworn Avenue, St. Louis 10, Missouri



People and Events

Sam M. Fleming Heads Bankers . . .

Sam M. Fleming, President, Third National Bank, Nashville, Tennessee, was formally inducted as president of the American Bankers Association recently in San Francisco, following a year of service as vice president of that organization. Upon his graduation from Vanderbilt University in 1928 he joined the New York Trust Company where he continued until 1931 when he returned to Nashville as manager of Third National's credit department. Shortly afterward he was made an assistant cashier, then assistant vice president in 1936 and vice president in 1941. From 1942 until 1945 he served in the U. S. Naval Reserve from which he was discharged with the rank of Lieutenant Commander. He then returned to Third National where he was made executive vice president in 1947, a director in 1949, and president in May 1960.

Mr. Fleming has been a member of the NRCA since 1931, and is still an active member of the National Retail Credit Association. The NRCA congratulates Mr. Fleming on his election as president of the A.B.A.



Position Wanted

CREDIT EXECUTIVE, age 35, desires change, will relocate anywhere. Experience includes 700,000 account data processing operation, branch management, financial management with emphasis on operational supervision and policy planning, designing systems and procedures. Heavy responsibility is desired. \$10-12,000 salary range. Box 12615, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

ANNUAL FIFTH DISTRICT Consumer Credit Conference

FEBRUARY 17-20, 1962

STATLER HILTON HOTEL
DETROIT, MICHIGAN

"THE MOST WORTH WHILE CONFERENCE"
offering

- Minimum of speeches
- Maximum time workshops
- Prominent names to be discussion leaders in all phases of credit

RESERVE THE DATES NOW

Watch for further information in the January CREDIT WORLD
NRCA ACBofA CWBC

Coming District Meetings . . .

DISTRICT ONE (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland, Canada) will hold its annual meeting at The Wentworth by the Sea, Portsmouth, New Hampshire, May 13, 14, and 15, 1962.

DISTRICT TWO (New Jersey and New York) will hold its annual meeting at the Concord Hotel, Kiamesha Lake, New York, May 4, 5, and 6, 1962.

DISTRICT THREE (Cuba, Florida, Georgia, North Carolina, and South Carolina) and **DISTRICT FOUR** (Alabama, Louisiana, Mississippi, Tennessee, and Bristol, Virginia) will hold a joint annual meeting at Admiral Semmes Hotel, Mobile, Alabama, March 11, 12, 13, and 14, 1962.

DISTRICT FIVE (Illinois, Indiana, Kentucky, Michigan, Ohio, Ontario, Canada, and Wisconsin, except Superior) will hold its annual meeting at the Statler Hilton Hotel, Detroit, Michigan, February 17, 18, 19, and 20, 1962.

DISTRICT SIX (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, Fort William, Ontario, and Manitoba, Canada) will hold its annual meeting at Sheraton-Martin Hotel, Sioux City, Iowa, April 8, 9, and 10, 1962.

DISTRICT SEVEN (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting at the Holiday Inn, Fort Smith, Arkansas, March 16, 17, and 18, 1962.

DISTRICT EIGHT (Texas) will hold its annual meeting at the Rice Hotel, Houston, Texas, May 20, 21, and 22, 1962.

DISTRICT NINE (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Harvest House, Boulder, Colorado, May 11, 12, and 13, 1962.

DISTRICT TEN (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting in conjunction with the 48th Annual International Consumer Credit Conference, Davenport Hotel, Spokane, Washington, June 21, 22, 23, 24, 25, and 26, 1962.

DISTRICT ELEVEN (Arizona, California, Hawaii, and Nevada) will hold its annual meeting at the Stardust Hotel, Las Vegas, Nevada, February 18, 19, 20, and 21, 1962.

DISTRICT TWELVE (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia) will hold its annual meeting at the Greenbrier Hotel, White Sulphur Springs, West Virginia, February 11, 12, and 13, 1962.

Position Wanted

WOMAN CREDIT AND COLLECTION EXECUTIVE, now employed in New York State wishes to relocate. New England area preferred. 15 years' experience in retail credit and collections. Resume upon request. Box 12613, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Holiday Greetings

To my many friends, members of the NRCA, ACBofA, and CWBC of NA, I extend best wishes for a joyous holiday season.

May you enjoy good health and happiness throughout the new year.

LINDLEY S. CROWDER

61 Baywood Avenue, San Mateo, California

Husband and Wife Receive Certificates . . .

Scott Downey, Credit Manager, Harbour-Longmire Company, and Mrs. Scott Downey, Credit Manager, Rothchild's, of the same city were recently awarded certificates designating them as members of the Quarter Century Club of the National Retail Credit Association. At the presentation ceremonies Leo Frye, Credit Manager, John A. Brown Company presented the certificate to Mrs. Downey and J. J. Boxberger, Secretary-Manager, Oklahoma City Retailers Association made the presentation to Mr. Downey. The ceremonies were covered by a local television station and newspaper.

Hospital Credit School at Norfolk . . .

Shown below is a view of the class of 118 persons who registered for a course conducted by Miss Frances M. Hernan, Field Lecturer for the National Retail Credit Association. This school was held in Norfolk, Virginia and covered the principles of credit analysis and persuasive collections in the Hospital, Medical and Dental professional fields. The school was held on October 26 and 27, 1961.

In reporting on this school, W. J. Ralston, Secretary-Treasurer, Retail Merchants Association, Norfolk had this to say: "We had a total of 118 registered for the course, all of whom simply raved about Miss Hernan's presentation of the course. Miss Hernan was terrific in all fields covered by the course and was especially well and enthusiastically received when discussing the important area of medical public relations. I unhesitatingly recommend to all credit bureau managers and local retail credit association leaders that they conduct a similar course in their communities. One welcome result of the school was that we signed up 50 physicians and dentists as new subscribers to our Credit Bureau services."

The National Office will be delighted to hear from any community desiring Miss Hernan's valuable and unique services. There is a great need for the kind of consumer credit education Miss Hernan gives to her medical audiences. Invariably the reports come to us of a vast improvement in local medical credit conditions after her visit. Please write today to the National Office for more details and open dates.

Your Score as a Perfectionist . . .

Figure your score in the test on page 13 this way: Give yourself 1, 2 or 3 points for checks in column 1, 2 and 3 respectively for items 3, 4, 5, 6, 7 and 9. Reverse this scoring procedure for items 1, 2, 8 and 10. If you score between 26 and 30, you are definitely a perfectionist. A score between 19 and 25 indicates strong perfectionistic tendencies. Normally conscientious people will score between 10 and 18, and if your score is below 10 you are not as serious about your responsibilities as the majority of people.

Help Wanted

CREDIT EXECUTIVE qualified to organize and operate a new revolving charge and time payment credit program. Age 35-45, salary \$10-\$15,000. Must be willing to relocate and travel. This is a large chain operation entering the credit field. Write giving business and personal references. Box 12614, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Position Wanted

CREDIT EXECUTIVE. Many years of experience in all phases of credit and collection work, including its legal aspects, account solicitation and credit sales promotion. Have handled financing of accounts receivable, by scheduling, indirect and direct financing. Have organized and managed a credit and collection department handling accounts receivable amounting to over \$5,000,000 representing 25,000 and 30,000 accounts. Active in district and national credit affairs. Personal and business references furnished. Box 9616, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Position Wanted

CREDIT SALES MANAGER, presently employed, wishes to relocate with a well established and progressive firm. Will consider any section of the country for right position. Ten years in credit field, last five with furniture and specialty stores. Married, age 36, well qualified and experienced in all phases of credit management, and capable of handling entire credit sales operation. Complete resume furnished upon request, with references. Salary range \$9-10,000. Box 12612, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

NOTICE

Watch for a Spokane Conference and Post-Conference announcement in the January CREDIT WORLD.



From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel

NATIONAL RETAIL CREDIT ASSOCIATION, WASHINGTON, D. C.



Law Dean Asks Public Help—Some Consumer Credit Problems Might Be Included:—Erwin N. Griswold, Dean of the Harvard Law School in his annual report of the School's activities, recently released, states that for 40 years everyone has known that the courts need help in adapting law to justice, but that nothing much has been done about it. "There are the problems of automobile accidents, and of crime and juvenile delinquency, and of families and children, of fair trial, and of standards of the bench and bar, and public service. How much substantial concerted effort has ever been devoted to these problems?" he asked. The Dean continued that "the problems of automobile accidents and of crime are surely as important to society, and no less difficult, than the problem of cancer." But, he pointed out, hundreds of millions of dollars are spent on cancer research each year, and almost nothing on cutting accidents and crime. Research centers could be established to solve these problems, he said, if the money were available.

Are Dean Griswold's words applicable to problems besetting the consumer credit industry? There is unending talk about the causes of consumer bankruptcy, and what is wrong with the wage earners plans section (Chapter XIII) of the Bankruptcy Act; of consumer protection in the form of full disclosure of the cost of credit to be achieved by Federal legislation; of adoption of the Uniform Commercial Code and of fair and reasonable garnishment laws applicable both to the private and public sectors of employment; of more adequate criminal statutes dealing with shoplifting, bad checks and credit card frauds—but so little remedial action ever seems to follow in these areas, as stated by Dean Griswold. But if sufficient money were available and put to work in research and investigation, many of these problems no doubt could be solved in a satisfactory manner, as suggested by Dean Griswold. In the absence of resource allocation, they may remain unsolved, or worsen, for many years to come. Then we may have to decide realistically what we can afford to spend abroad and at home.

Policy—Record On—Bank and Other Mergers:—In view of the importance of consumer instalment credit to, and volume held by, commercial banks (\$16,604 billion as of September 30), Administration policy on bank mergers, as indeed all others, may be of particular interest or significance. Policy, and the record with respect to bank mergers that have been objected to, have not been better stated than in a speech just delivered by the Attorney General on November 13, 1961, before the Economic Club of New York.

While the speech dealt with antitrust enforcement in general, mergers were covered specifically and at some length. The Attorney General said that "there is talk that enforcement of the antitrust laws is evidence that this Administration is 'anti-business.' Much of the criticism

has centered on merger cases brought under Section 7 of the Clayton Act. This Section is intended to avoid the creation of barriers of entry into the market and the loss of competitive vigor which may result through excessive concentration in a particular industry. It is not intended to prevent all mergers. Many mergers promote vigorous competition just as some mergers have the opposite effect. The record shows that mergers have not been attacked indiscriminately. The number of mergers challenged by the Government is very small compared with the total number of mergers which are completed. During the first eight months of 1961, the Department filed only 11 anti-merger cases (five of which were bank mergers). In the same period, 757 mergers or acquisitions were recorded by the Federal Trade Commission."

"I have seen it written and heard it argued," he stated, "that we should not have challenged any bank mergers: that they are not covered by Section 7 of the Clayton Act; and that since these mergers had been approved by other Government agencies, including the Comptroller of the Currency, that we had no business getting into this field. . . . However, there are some points I think you should know. First, we have examined some 155 bank mergers since January 29, 1961. Of those, we have disapproved of only five . . . we have taken action in five cases on the basis of recommendations of officials who were studying this problem long before I became Attorney General (as was true also in the Philadelphia electrical equipment cases)." Furthermore, the banks involved were notified "prior to their merger" that the Department of Justice probably would disapprove.

Public's Ownership of Private Corporations:—In his "Business Outlook" column in the Washington Post for November 10, 1961, J. A. Livingston, well-known economics writer, makes the following interesting comment on the ownership of American corporations: "When 15 or 16 million stockholders own American corporations, American business ceases to be private. Ownership of General Motors (840,000 shareholders), American Telephone & Telegraph (2 million), Standard Oil of New Jersey (700,000), etc., is so widely dispersed and their business operations affect so many persons—employees, customers, suppliers, and stockholders—that they are genuinely 'public corporations.'" But we wonder if the words "cease to be private" and "public corporations" quite convey the precise idea he has in mind? Though ownership is spread very broadly, John Q. Public still is a private citizen, regardless of how many of him are co-owners in the same enterprise. Of course, these great corporations are heavily charged with public awareness and public responsibility, and are a great testing ground for free private enterprise, as distinguished from governmental egis, influence or control. But they might become quasi public agencies, or indeed public agencies in periods of emergency or war, like the railroads in World War I. •

Consumer Credit Outlook

► Business activity has lost some of its earlier momentum according to the National Industrial Conference Board. It reports the Gross National Product is running well short of the Administration's predicted \$540 billion rate. A \$14 billion increase is needed in the year's final quarter to reach this figure. In the third quarter, GNP advanced \$10 billion, with personal consumption expenditures, mainly nondurables and services, providing over half the increase. Private investment accounted for most of the balance, with a small increase in government outlays off-setting a decrease in net export surplus. Business analysts are counting heavily on personal consumption expenditures to supply much of the momentum needed to keep the recovery rolling. This in turn depends upon two additional developments: a speed-up in the rate of increase of personal income and a greater use of consumer credit.

► September consumer instalment credit, outstanding, seasonally adjusted, declined \$75 million to an estimated \$42.6 billion. This was the fifth monthly dip of the year. Automobile credit declined \$135 million in September . . . the tenth consecutive monthly contraction and the largest since April. Personal loans increased \$90 million . . . Other Consumer Goods Paper declined \$32 million . . . Repair and Modernization Loans showed little change. Noninstalment credit outstanding increased \$41 million to an estimated \$12.3 billion at September 30. A rise in Single Payment Loans and in Service Credit more than offset a decline in Charge Accounts. Total Short and Intermediate Term Consumer Credit Outstanding was estimated to be \$54.9 billion . . . a decline of \$34 million from the previous month.

► The U. S. Department of Commerce reports that the "ratio of retail sales to personal income, before taxes, has shown an irregular but generally declining tendency from more than 58 per cent in 1954 to 54.5 per cent last year and 52 per cent this summer."

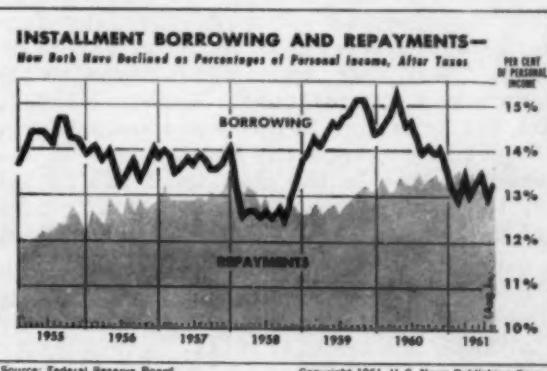
► General Motors, the world's largest manufacturer of automobiles, is troubled with a new problem. The charge, made by a federal grand jury, "conspiracy to prevent the sale of Chevrolet cars through discount houses in Southern California." This is the first such indictment of its kind on record.

► The Austrian Justice Ministry has proposed a measure which would provide a three-day "cooling-off" period for consumers who have signed a sales contract. The idea is to permit three days to elapse before any instalment purchase takes effect. A ministry spokesman indicated it would give "extra protection against high-pressure salesmen."

► Vernon Hinkle, president, The Bankers Investment Co., Hutchinson, Kansas was elected President of the American Finance Conference. Richard E. Meier, Interstate Finance Corporation, Evansville, Indiana was elected Chairman of the Conference's Executive Committee. The AFC is the national association representing the independent sales finance companies with offices in Chicago.

► Carl F. Hawver, writing in Pipe Lines, says "There is nothing really new under the sun. All this talk about credit cards being a new consumer convenience seems to have overlooked the fact that the first credit cards were probably rings worn by 13th Century German Knights. These rings were encrusted with their family coat of arms. Inn-Keepers, recognizing the owners as men of worth, billed them later for their charges so they wouldn't need to carry money on the robber-infested highways. The penalty for counterfeiting a family ring . . . death."

► Speaking before 300 students and faculty of the School of Consumer Banking at the University of Virginia, Senator A. Willis Robertson, chairman, Senate Banking and Currency Committee, said, "I am especially concerned about the provisions of the Senator Douglas' euphemistically called Truth In Lending Bill. I believe that it is neither necessary nor proper for the Federal Government to intervene. Most states have laws covering one or more aspects of



Consumer Instalment Credit Extended and Repaid, and
Changes in Credit Outstanding
(In millions of dollars)

	Total	Auto- mobile paper	Other consumer goods paper	Repair and moderniza- tion loans	Personal loans
Without seasonal adjustment					
Credit extended					
1961—Sept.	3,860	1,178	1,209	173	1,300
Aug.	4,319	1,412	1,216	206	1,485
1960—Sept.	4,010	1,372	1,173	177	1,288
Credit repaid					
1961—Sept.	3,942	1,349	1,185	160	1,248
Aug.	4,140	1,420	1,170	175	1,375
1960—Sept.	3,871	1,371	1,107	151	1,242
Seasonally adjusted¹					
Credit extended					
1961—Sept.	4,010	1,239	1,196	163	1,410
Aug.	4,081	1,297	1,166	188	1,430
1960—Sept.	4,125	1,422	1,162	164	1,377
Credit repaid					
1961—Sept.	4,085	1,374	1,230	161	1,320
Aug.	4,055	1,384	1,152	171	1,348
1960—Sept.	3,968	1,375	1,141	149	1,293
Increase or decrease (—) in outstanding credit, seasonally adjusted ¹					
1961—September	— 75	— 135	— 32	2	90
August	26	— 87	14	17	82
3rd qtr.					
mo. av.	— 41	— 108	— 1	5	63
2nd qtr.					
mo. av.	— 4	— 78	7	5	62
1st qtr.					
mo. av.	— 86	— 129	7	— 10	44
1960—4th qtr.					
mo. av.	126	32	34	— 1	61
3rd qtr.					
mo. av.	179	38	10	20	111

¹Includes adjustment for differences in trading days.

²Seasonally adjusted changes in outstanding derived by subtracting credit repaid from credit extended.

NOTE.—Estimates of instalment credit extended and repaid are based on information from accounting records of retail outlets and financial institutions and include finance, insurance, and other charges covered by the instalment contract. Renewals and refinancing of loans, repurchases or resales of instalment paper, and certain other transactions may increase the amount of both credit extended and credit repaid without adding to the amount of credit outstanding.

consumer credit. This year alone ten states enacted legislation dealing with some phase of the subject. That, in my opinion, indicates that the states can handle the matter if they wish. No mandate exists for Federal legislation and Federal bureaucracy to be imposed upon what is naturally a state function."

►The emergence of the Common Market in Europe as the world's largest economic force, next to the United States and Soviet Russia, is causing considerable concern both at home and abroad. Great Britain's decision to seek membership in this group of six nations is an indication of the economic success enjoyed by the combination. This continental group was brought into being by the Treaty of Rome on March 25, 1957. The six countries which comprise the Common Market are France, Germany, Italy, the Netherlands, Belgium and Luxembourg. The primary reason for the success of the Common Market is the ability of its industry to produce for and serve a domestic market as large as that of the United States.

►An Oklahoma City amusement park owner bought a merry-go-round at auction for \$7,900.00 when White City, a Worcester park, was closed. When it came time to pay,

Morris G. Woods presented a credit card and charged the purchase.

►The need for closer co-operation between the retail credit grantor, the personal loan departments of the bank, and the small loan companies, was brought out very strongly in a panel discussion conducted by William Haessler, Jr., President, Associated Credit Bureaus of New York State and The Certified Finance Corporation of Tonawanda, New York, at a meeting of that Association in Glens Falls, New York.

►Furniture Manufacturers Credit Association, Inc. has been organized by leading southern furniture manufacturers for the interchange of information by regional groups within the association. The association succeeds the Furniture Credit Clinic.

►President John F. Kennedy signed into law a bill protecting persons recalled to military service. The bill, H.R. 8765, amends the universal military training law so that persons with four years active duty who are recalled involuntarily to service will be given reemployment rights. Also, those persons who have not served four years active duty before August 1, 1961, will get reemployment rights for a four-year period when called into or retained in service involuntarily. H.R. 8765 also repeals the requirement that persons who are rejected for military service must have requested leave of absence from their jobs before taking their military physical fitness examination in order to have reemployment rights.

►The proposed merger of Montgomery Ward and Interstate Department Stores has been called off. No reason was given by officials of either organization. IDS operates in the discount merchandising field.

Short- and Intermediate-Term Consumer Credit Outstanding
(Estimates, in millions of dollars)

Type of Credit	Sept. 30, 1961	Increase or decrease (—) during:		
		September		Year ended Sept. 30, 1961
		Unadj.	Seas. Adj.	
Instalment credit, total	42,554	— 82	— 75	37
Automobile paper	17,179	— 171	— 135	— 842
Other consumer goods paper	10,706	24	— 32	163
Repair and modernization loans	3,008	13	2	7
Personal loans	11,661	52	90	709
Noninstalment credit, total ²	12,315	62	41	567
Single-payment loans	4,614	58	45	297
Charge accounts ¹	4,303	15	— 24	20
Service credit	3,398	— 11	20	250
Total consumer credit ¹	54,869	— 20	— 34	604

¹Includes amounts outstanding on service station and miscellaneous credit-card accounts and home-heating oil accounts, which totaled \$485 million on September 30, 1961.

► Some economists believe the period just ahead will be one of prosperity but not of boom proportions. They indicate that goods will be plentiful, prices will remain relatively stable, and that inflation will be mild. Competition will be a most important factor both at home and abroad. With the 1962 "Business Outlook" prediction season just ahead, we can expect to be confused with all kinds of economic prognostications.

► The International Study Mission of the American Society of Association Executives on its recent trip to Europe found business booming, unemployment almost unheard of, abundance of consumer goods with plenty of consumers purchasing, and an optimistic outlook toward the future. Consumer credit was available in England, West Germany, Switzerland, and France with which to purchase durable goods. Cash loan lending was expanding in Germany. Thirty-day accounts were being pushed by department stores in Switzerland. Credit card signs appeared in each of the four countries visited. International trade shows, fashion shows, and association meetings were going on in England and Germany and attracting people from all over Europe.

► Trading stamp sales to retailers will reach an estimated \$750 million in 1961 reports Printers' Ink. New companies are now getting into the business. Action Discount Dollars of New York will give franchises to businesses. E. F. MacDonald Co. of Dayton has returned to the field. Trading-stamp companies are broadening incentive plans, encouraging businesses to use them.

► The "Truth In Lending" bill sponsored by Senator Douglas . . . S. 1740 . . . will probably touch off a battle during the Second Session of the 87th Congress. Proponents and Opponents are lining up for a fight to the finish. The American Retail Federation has already served notice that it will be in there fighting. The National Retail Credit Association has published articles by Senator Bennett and Senator Douglas stating the views of both leaders. NRCA's 450 local associations throughout the United States are now holding meetings and debating the contents of the bill. It is believed that NRCA's 52,000 members are now better informed on the proposed measure and will take positive action in the weeks ahead to let their congressional representatives know how they stand on the bill. The CREDIT WORLD will continue to keep its readers informed on all proposed legislation . . . either Federal or state, which

has as its purpose to regulate or to restrain the use of consumer credit.

► A Senate Small Business Subcommittee will hold hearings on December 18-20 to review proposed plans for small retailers to get space in suburban shopping centers. Led by Senator Hubert H. Humphrey, the committee will hear representatives from retailing, wholesaling, and manufacturing. Following last year's hearings, the Subcommittee issued a report which concluded that many competent and experienced small firms often were frozen out of suburban shopping centers as well as "down-town" locations.

► The Uniform Commercial Code was enacted this year in Arkansas, Illinois, New Mexico, Ohio, Oklahoma, Oregon, and Wyoming. This brings the total to 13 states now operating under UCC.

► Persons with O-type blood seem to be more prone to gastric and duodenal ulcers than people with blood types A, B, or AB. Dr. Joseph A. Buckwalter at Iowa State checked 2,386 sufferers with duodenal ulcers and 817 with gastric ulcers and found a statistically significant incidence of O-type blood. His finding could mean that there is a genetic aspect to ulcers.

Consumer Instalment Credit, by Holder and Type of Credit
(Estimated amounts outstanding, in millions of dollars)

Type of credit and institution	Sept. 30, 1961	Increase or decrease (-) during:		
		Sept. 1961	Sept. 1960	Year ended Sept. 30, 1961
Total	42,554	- 82	139	37
Commercial banks	16,604	- 151	54	188
Sales finance companies	10,690	- 40	12	- 464
Credit unions ¹	4,194	23	41	399
Consumer finance companies ¹	4,181	- 12	12	70
Other financial institutions	1,893	12	0	51
Retail outlets ²	4,992	86	20	- 207
Automobile paper	17,179	- 171	1	- 842
Commercial banks	7,945	- 64	11	- 146
Sales finance companies	7,025	- 112	- 23	- 807
Other financial institutions	1,727	11	14	148
Automobile dealers	482	- 6	- 1	- 37
Other consumer goods paper	10,706	24	66	163
Commercial banks	2,820	- 107	2	134
Sales finance companies	2,518	42	32	226
Other financial institutions	858	- 3	11	- 27
Department stores ³	1,974	94	37	- 75
Furniture stores	1,084	8	- 3	- 45
Household appliance stores	277	2	1	- 14
Other retail outlets	1,175	- 12	- 14	- 36
Repair and modernization loans	3,003	13	26	7
Commercial banks	2,137	6	18	- 25
Sales finance companies	65	3	3	5
Other financial institutions	806	4	5	27
Personal loans	11,661	52	46	709
Commercial banks	3,702	14	23	225
Sales finance companies	1,082	27	0	112
Other financial institutions	6,877	11	23	372

¹Estimates of loans at credit unions and consumer finance companies by type of credit are included with figures for other financial institutions.

²Figures by type of retail outlet are shown below under the relevant types of credit.

³Includes mail-order houses.

Quotable "Quotes"....

• **Charles F. Kettering:** If you have always done it that way, it probably is wrong.

• **John A. Hannah:** No citizen of this nation is worthy of the name unless he bears unswerving loyalty to the system under which he lives, the system that gives him more benefits than any other system yet devised by man. Loyalty leaves room to change the system when need be, but only under the ground rules by which we Americans live.

• **Napoleon:** One must change one's tactics every ten years if one wishes to maintain one's superiority.

• **Dwight David Eisenhower:** In the final choice a soldier's pack is not so heavy as a prisoner's chains.

• **Aldous Huxley:** People always get what they ask for; the only trouble is that they never know, until they get it, what it actually is that they have asked for.

• **Thomas Alva Edison:** I am glad that the eight-hour day had not been invented when I was a young man. I am wondering what would have happened to me by now, if fifty years ago some fluent talker had converted me to the theory of the eight-hour day, and convinced me that it was not fair to my fellow-workers to put forth my best efforts in my work. This country would not amount to as much as it does, if the young men fifty years ago had been afraid that they might earn more than they were paid.

• A man we know always thanks the elevator operator as he leaves an elevator. Someone asked him why, and he answered, "Well, he took me up to my floor and opened the door for me, didn't he?" "Yes," the other responded, "but that's his job; he's an employee, paid to do that."

"What possible difference can that make?" our friend answered. "I thanked him not because of what he is but because of what I am!"

The most magic words in our language are "thank you." They will make friends of strangers, admirers of persons who otherwise might scarcely notice you. These words, the tone and manner in which they are spoken, can tell you more about a person in a second than he would be likely to reveal in an hour of ordinary conversation. They let you in on some of his secrets—his self-respect, his humility, his upbringing. Saying "thank you" is one thing that distinguishes a civilized person from a savage.

• **Sir Winston Churchill:** once observed that "We shape our dwellings, and afterwards our dwellings shape us." Rather an interesting thought, isn't it? Can you imagine a Jefferson coming out of a Monticello designed by Frank Lloyd Wright? Could an Emerson living in a garish palace on Miami Beach have achieved the same philosophy he did in his stately Concord home?

If our dwellings do "shape" us we ought to give more thought to them. Like our clothing, they publish our taste. Benjamin Disraeli declared that "Dress does not make a man but it often makes a successful one!"

When we plan our houses, or apartments, we would do well to bear in mind that we are fashioning the frame in which we shall be exhibited. Many people judge a picture by its frame and—according to Sir Winston—rightly so. Does yours do you justice?

Philosopher's Corner

"You cannot put the same shoe on every foot."



PUBLICUS SYRUS (CIRCA 42 B.C.)

• **Samuel Johnson:** If you would shut up any man with any woman, so as to make them derive their whole pleasure from each other, they would inevitably fall in love, as it is called, with each other.

• **Henry S. Haskins:** Many a man's proflanity has saved him from a nervous breakdown.

• **C. N. Boeve:** Judicious praise is to children what sun is to flowers.

• **Anonymous:** America has moved from an era of indifference to an era of awareness about government, which is now our nation's greatest hope.

• **Clarence Darrow:** Laws should be like clothes. They should be made to fit the people they are meant to serve.

• **Arnold Tynbee:** Apathy can only be overcome by enthusiasm, and enthusiasm can only be aroused by two things: first, an ideal which takes the imagination by storm, and, second, a definite intelligible plan for carrying that ideal into practice.

• **Smedley Butler:** No pacifists or Communists are going to govern this country. If they try it there will be 7 million men like you rise up and strangle them. Pacifists? Hell, I'm a pacifist, but I always have a club behind my back.

• **Lord Rochester:** Before I got married I had six theories about bringing up children; now I have six children, and no theories.

• **Thomas Macauley:** Men are likely to settle a question rightly when they discuss it freely.

• "Men strive for skill in all the arts. Why not learn to live with skill? . . . How vital and vastly more important it is that one construct a useful Christian character than that he build a perfect machine! Real skill in living is the outcome of obedience to God—Good—the Principle of man's being."

• **G. K. Chesterton:** It is strange that men should see sublime inspiration in the ruins of an old church and see none in the ruins of a man.

• **Anonymous:** An opportunist is a man who, finding himself in hot water, decides he needs a bath anyway.

• **Dean William Inge:** Worry is interest paid on trouble before it comes due.

A Text . . .

Contributed by Lorene Shaw
Toronto, Canada
What's your favorite text?

"In all thy ways acknowledge Him, and He shall direct thy paths."

Proverbs 3:6

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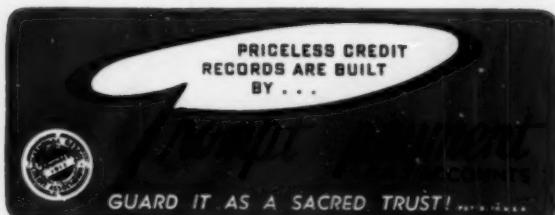
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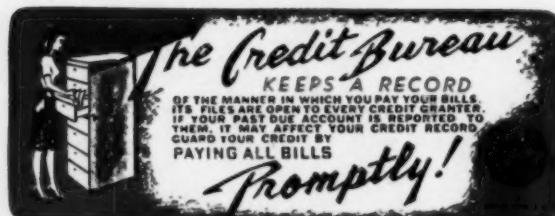
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